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THESIS

THE DEMISE OF RUSSIAN HEALTH CAPITAL: THE CONTINUITY OF INEFFECTIVE GOVERNMENT POLICY

by

Jarad L. Van Wagoner

March 2007

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13. ABSTRACT

Health capital in Russia is in steep decline. Today the Russian population is decreasing by more than 700,000 per annum. Life expectancy has decreased significantly since it peaked in the mid-1960s. Infectious diseases, including an emerging HIV/AIDS epidemic, are threatening to worsen Russia's health crisis and further overwhelm a dilapidated healthcare system. Soviet and Russian government policies aimed at preserving health capital have failed consistently. Government policies and intervention have contributed to the crisis. The purpose of this research was to determine a possible explanation for the continuity in ineffective government policy. The analysis indicates the influence of a paternalistic political culture permeates the political process. As a result, the government is free to pursue its own agenda without a significant degree of accountability to the population. Issues affecting health capital are not a priority of the government. The consequence, therefore, is short-sighted and uncoordinated government policy and programs that are under-funded. Long-term improvements to Russia's health capital will require a shift in the political culture. State-society relations must evolve to allow and encourage greater interaction between state officials and the general population. Without government accountability or individual responsibility, health capital in Russia will continue to decline.

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THE DEMISE OF RUSSIAN HEALTH CAPITAL: THE CONTINUITY OF INEFFECTIVE GOVERNMENT POLICY

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Submitted in partial fulfillment of the
requirements for the degree of

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ABSTRACT

Health capital in Russia is in steep decline. Today the Russian population is decreasing by more than 700,000 per annum. Life expectancy has decreased significantly since it peaked in the mid-1960s. Infectious diseases, including an emerging HIV/AIDS epidemic, are threatening to worsen Russia's health crisis and further overwhelm a dilapidated healthcare system. Soviet and Russian government policies aimed at preserving health capital have failed consistently. Government policies and intervention have contributed to the crisis. The purpose of this research was to determine a possible explanation for the continuity in ineffective government policy. The analysis indicates the influence of a paternalistic political culture permeates the political process. As a result, the government is free to pursue its own agenda without a significant degree of accountability to the population. Issues affecting health capital are not a priority of the government. The consequence, therefore, is short-sighted and uncoordinated government policy and programs that are under-funded. Long-term improvements to Russia's health capital will require a shift in the political culture. State-society relations must evolve to allow and encourage greater interaction between state officials and the general population. Without government accountability or individual responsibility, health capital in Russia will continue to decline.

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We wanted the best, but it turned out as always.

— Viktor Chernomyrdin, Former Russian Prime Minister[1]

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[1] As quoted in Andrew Meir, *Black Earth: A Journey Through Russia After the Fall* (New York: W. W. Norton & Company, 2003): 386.

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I. INTRODUCTION

The purpose of this thesis is to examine the decline in health capital in the Russian Federation through the prism of continuity of government policy. While health capital is an important human rights issue, this research will approach the concept as essential element in economic performance. Since at least the late 1970s, health capital in Russia has been in decline as indicated by demographic and health measurements. Despite recognition of a worsening and evolving health crisis, the Soviet government effectively ignored the issue by covering up unflattering statistics, while attempting to reinforce an existing system which was no longer capable of fulfilling its primary role.[2] Following the collapse of the Soviet Union, healthcare was legally reformed in an attempt to deal with the crisis efficiently. The reforms, however, have met only limited success and the current healthcare system is still incapable of dealing with the scope of health challenges facing Russian society.[3] Additionally, while President Vladimir Putin and his administration have recognized the deepening health and demographic crisis openly, government policy largely has proven incapable of enacting meaningful and positive change.

This thesis explores a number of factors which influence the formation and implementation of Russian domestic policy as it affects health capital. The overarching goal is to determine why government policy in the Russian Federation has proven consistently ineffective in dealing with issues affecting the health of the population. Further, by determining what factors obstruct the formation of effective health policy, this research aims to present reasonable policy alternatives which potentially will overcome past obstacles while simultaneously improving the national stock of health capital.

A. JUSTIFICATION OF RESEARCH

Following the collapse of the ruble in 1998, the Russian economy has made a remarkable recovery. High energy prices have driven up Russia's GDP since 1999 and

[2] Ellie Tragakes and Suszy Lessof, *Health Care Systems in Transition: Russian Federation, 2003* (Copenhagen: European Observatory on Health Systems and Policies, 2003): 8-9 and 24.

[3] Ibid., 169-93.

filled the government's coffers. The results, on the surface, indicate a significant level of economic modernization and development. Russia has been able to pay off much of its international debt, pay pensions and wages, and reinvest in the economy. Additionally, living standards have risen and a sense of stability, long missing, has returned.[4] With its immense geographic size and location, its massive nuclear arsenal, and a permanent seat on the UN Security Council, Russia can now reclaim international acknowledgement as a global economic force.[5] Russia's recent strong economic performance has lent credence to President Vladimir Putin's goal of achieving recognition as "a normal great power." [6] After nearly a decade of being pushed aside, what Russia says and does matters again.

Beneath the veneer of success, however, Russia's economic sustainability remains at risk. While the energy sector and a few other portions of the Russian economy have fared well over the past few years, overall the economy remains "precariously dependent on exports of oil, gas, and other raw material."[7] Government revenues, heavily dependent on energy exports, are subject to vulnerabilities which cannot be offset without a diversified economic base. As the government and investors have focused on the energy market, however, other industries have suffered. Non-energy sectors of the market have seen little investment. Energy revenues have "subsidized the old economic system and enabled it to coast along."[8] While recent trends indicate that energy prices will remain high, it is unclear how long Russia will be able to continue extracting and exporting natural resources. More importantly, without a strongly diversified market, a

[4] Eugene R. Rumer and Celeste A. Wallander, "Russia: Power in Weakness," *The Washington Quarterly* 27:1 (Winter 2003-2004): 57-59.

[5] Ibid., 57.

[6] Andrei P. Tsygankov, "Vladimir Putin's Vision of Russia as a Normal Great Power," *Post-Soviet Affairs* 21, No. 2 (2005): 132-138.

[7] Rumer and Wallander, "Russia: Power in Weakness," 63.

[8] Ibid.

serious shock to the global energy market could potentially cripple the Russian economy. Social, political, and economic stability could once again be replaced by instability, chaos, and hopelessness.[9]

Economic development and diversification, however, will be impossible without a healthy, educated, and trained workforce. Since the late 1970s, life expectancies in Russia have dropped as health problems have increased. The problems were exacerbated by the political, economic, and social instability of the 1990s. Following the collapse of the Soviet Union, death rates skyrocketed across the Russian Federation as birth rates dropped. Since 1992, Russia's population has fallen by more than six million and is projected to fall by another 14 to 21 million by 2025.[10] The resulting loss of human capital in the Russian Federation, as health capital has fallen, may potentially upset future efforts at economic development. Market diversification, even if actively pursued by a well-funded government, will prove elusive without an able workforce.

The level of health capital, as represented by demographic indicators, has become serious enough that President Putin has repeatedly highlighted the crisis in his Annual Addresses to the Federal Assembly.[11] Without a healthy, educated, and trained workforce, future economic growth will be very limited. The Russian government has the opportunity now, while energy prices remain high and production levels are steady, to invest in reforms that would guarantee economic development for the long-term. To date, however, government efforts have fallen short. The focus of this research is to determine why government policy has failed consistently in its efforts to stop the decline of health capital. First, however, it is important to understand the function of human factors (human and health capital) within a larger economic framework.

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[9] Regarding the dangers of Russia's primary export driven economy Rumer and Wallander write: "Oil revenues, although providing a financial lifeline in the near term, have reduced incentives for modernizing Russian industry and for introducing much-needed and long-delayed structural reforms." See, Rumer, 63-65. See also Rudiger Ahrend, "Russia's Post-crisis Growth: Its Sources and Prospects for Continuation," *Europe-Asia Studies*, Vol. 58, No. 1 (January 2006): 1-24.

[10] Nicholas Eberstadt, "Russia, the Sick Man of Europe," *Public Interest* 158 (Winter 2005): 3-20.

[11] See the Russian Federation's Presidential website at http://www.kremlin.ru/eng/ for copies of President Putin's Annual Addresses; last accessed on 10 January 2007.

B. THEORY: HUMAN AND HEALTH CAPITAL

1. Economics

In general, each society, or state, seeks to insure a continued existence, or what might be termed sustainable development. For a society, as a unit and at the individual level, to survive certain functions must be performed. Such functions require minimum stocks of various types of capital.[12] Capital consists of "resources used to produce goods and services…which do not directly satisfy human wants."[13] In other words, capital must be produced to enable an economy to produce the final outputs desired for human consumption or use.

Economic activity, at many levels, encapsulates societal attempts to sustain their existence. Better economic performance, *ceteris parabus*, translates into a more stable and sustainable quality of life. Economic performance can be expressed in terms of economic growth and economic development. Economic growth, quite simply, is "a rise in national or per capita income and product," which occurs in part through increased productivity. [14] A growing economy is desirable for two important reasons: 1) growth can improve the overall standard of living; and 2) increased resources, realized through growth, enables a state to deal with changing societal and economic needs more effectively.[15]

Economic development, on the other hand, involves continual changes within an economic system. Over the past two or three centuries these changes have included industrialization, urbanization, and evolving consumption patterns.[16] Both economic growth and development utilize, or consume, stocks of capital. Insufficient stocks of necessary capital will slow down or reverse growth and development. Reduced economic activity negatively impacts stability and quality of life within a society,

[12] Eric Welhelm Sievers, *Sustainable Development and Comprehensive Capital: The Post-Soviet Decline of Central Asia* (Cambridge, MA: Massachusetts Institute of Technology, 2001): 11. For many economists, as noted by Sievers, sustainable development is development that will meet the needs of present and future generations.

[13] Campbell R. McConnell and Stanley L. Brue, *Economics: Principles, Problems, and Policies* (New York: McGraw-Hill, Inc., 1993): G3.

[14] Dwight H. Perkins, Steven Radelet, Donald R. Snodgrass, Malcolm Gillis, and Michael Roemer, *The Economics of Development* (New York: W.W. Norton & Company, Inc., 2001): 8-9.

[15] McConnell and Brue, *Economics: Principles, Problems, and Policies,* 366.

[16] Perkins, Radelet, Snodgrass, Gillis, and Roemer, *The Economics of Development* 9.

threatening present and future sustainability. Absent sufficient income in the face of declining economic performance, people are forced to look outside of the current societal structure for support and hope. On the other hand, however, an economically successful society, which meets the needs of individuals and provides opportunities for obtaining some level of prosperity, has a stake in maintaining the status quo and avoiding the risks of unrest and violence.

Recent economic research has highlighted the importance of human and health capital for effective economic development and continued growth. People are not only the "ultimate beneficiaries" of economic development; they also "provide the most important input into the process."[17] Human capital, in its simplest form, perhaps could be defined as the overall contribution of people to economic activities. It implies, however, more than a simple quantitative construct, expressed by the size of the labor pool. More accurately, human capital is "the sum total of skills embodied within an individual: education, intelligence, charisma, creativity, [and] entrepreneurial vigor."[18] It is important to note the stock of human capital can be increased through education and training.[19] Gary S. Becker, a noted economist, has written that:

> While all forms of capital—physical capital, such as machinery and plants, financial capital, and human capital—are important, human capital is the most important. Indeed, in a modern economy, human capital is by far the most important form of capital in creating wealth and growth.[20]

Relative to other forms of capital, human capital is important because it drives growth by increasing productivity. According to Charles Wheelan, "productivity is the efficiency with which we convert inputs into outputs."[21] While dependent, at least in part, on natural resources, productivity in modern developed economies is driven more by

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[17] Perkins, Radelet, Snodgrass, Gillis, and Roemer, *The Economics of Development*, 245.

[18] Charles Wheelan, *Naked Economics: Undressing the Dismal Science* (New York: W. W. Norton & Company, Inc., 2002): 99. Wheelan writes that "our total stock of human capital—everything we know as a people—defines how well off we are as a society." See Wheelan, *Naked Economics: Undressing the Dismal Science*, 105.

[19] According to Sievers, "indicators of human capital…involve literacy rates, levels of completion of various stages of formal education, number of scientists, and investments in research development." See Sievers, *Sustainable Development and Comprehensive Capital*, 21.

[20] As quoted by Wheelan, *Naked Economics: Undressing the Dismal* Science, 106.

[21] Ibid., 107.

factors "affected by technology, specialization, and skills, all of which are a function of human capital."[22] Without continued investment in the required stocks of capital, productivity growth most likely will not occur. Increasingly, in today's modern economy, "human capital must be accorded priority in the sense that a certain minimum of it is a prerequisite to successful use of physical capital."[23]

2. Health Capital

While many scholars and economists have included health as an additional component of human capital, much of the focus has been on the function of education. Health, however, must be differentiated because of its affect on human capital outside of the educational framework. Human capital, in terms of a person's level of knowledge, "affects…market and nonmarket productivity."[24] Health capital, on the other hand, preserves, or maintains, a society's stock of human capital. Absent good health, the workforce is less effective in its contributions to economic activity.[25] Thus, an individual's total productivity throughout life is a function of 1) human capital, or ability to contribute based on levels of education and skills; and 2) health capital which determines how long an individual will be capable of contributing to the market.

Health capital essentially is a measurement of "healthy time."[26] Each individual is born with an initial stock of health capital which "depreciates with age and can be increased by investment."[27] Generally, health is measured by longevity of life and the rate of morbidity among the population. Demographics provide a window into the health capital of a society, or country. Population trends and longevity of life indicate levels of

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[22] Wheelan, *Naked Economics: Undressing the Dismal Science*, 107.

[23] Richard B. Goode, "Adding to the Stock of Physical and Human Capital," *The American Economic Review*, Vol. 49, No. 2, Papers and Proceedings of the Seventy-first Annual Meeting of the American Economic Association (May 1959): 149.

[24] Michael Grossman, "The Human Capital Model of the Demand for Health," *Working Paper 7078* (Cambridge: National Bureau of Economic Research, 1999): 2. Found at http://www.nber.org/papers/w7078, accessed on 28 September 2006.

[25] Ibid., 2. Grossman defines health as "longevity and illness-free days in a given year."

[26] Michael Grossman, "On the Concept of Health Capital and the Demand for Health," *The Journal of Political Economy*, Vol. 80, No. 2 (March-April 1972): 223. It is interesting to note that, unlike other forms of capital, human and health capital are "both demanded and produced by consumers." Also, whereas physical capital is only necessary in order to produce something that meets consumers' demands, health and human capital fulfill both roles.

[27] Grossman, "The Human Capital Model of the Demand for Health," abstract.

health capital. For instance, drastic declines in population within a country over an extended period of time, especially in the absence of war or pestilence, are symptomatic of a lingering health crisis. Strong economic development becomes less likely in such a situation.[28]

The relationship between health and productivity, through the medium of human capital, is evident at various levels. Health, according to David Bloom and David Canning, contributes to economic performance in four distinct areas. First, labor productivity likely will be higher within a healthier population, "because their workers are physically more energetic and mentally more robust."[29] Further, an increase in the stock of an individual's or a society's health capital decreases the amount of time lost to illness, disease, or premature death.[30] Research indicates that "an additional year of male life expectancy at birth has been associated with an increment of GNP per capita of about 8 percent."[31] In terms of negative health indicators, falling population and increased morbidity requires a smaller workforce to support a growing group of retirees and disabled individuals, effectively raising social welfare expenditures at the cost of future capital needs. Second, higher levels of health capital will increase the level of human capital by increasing the incentive to invest in education. Longer life and better health increase the return on educational investments. Third, as people live longer, the need to plan for retirement increases the amount of financial capital available for investment in additional physical capital. Finally, health begets wealth which, in turn, can be invested again to increase health. The resulting "virtuous spiral," if protected, can ensure future economic growth.[32] Negative population trends and falling life expectancy are indicators of a bleak future, which leads to decreased levels of human capital by removing the incentive for sufficient investment in education and technical training. In short, sufficient

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[28] David E. Bloom and David Canning, "The Health and Wealth of Nations," *Science*, New Series, Vol. 287, No. 5456 (February 2000): 1207-1209.

[29] Ibid., 1207.

[30] Grossman, "On the Concept of Health Capital and the Demand for Health," 225. Grossman writes that "the monetary value of this reduction is an index of the return to an investment in health." See same.

[31] Nicholas Eberstadt, "Russia's Demographic Straightjacket," *SAIS Review* XXIV, No. 2 (Summer-Fall 2004): 20.

[32] Bloom and Canning, "The Health and Wealth of Nations," 1207-1209.

stocks of health capital not only preserve human capital, it can also increase the level of human capital while also affecting economic growth in other ways.

It is important, therefore, to understand what affects the level of health capital. At the most obvious level, health capital is influenced heavily by factors such as lifestyle, healthcare, and other environmental issues. These factors, however, are subject to external influences which demand closer scrutiny. At the micro level, individual lifestyle and healthcare choices are affected by issues such as income, location, social mores, and cultural attitudes. At the macro level, however, governmental policies, institutions, and attitudes play a significant role in shaping public lifestyle choices, the quality and availability of healthcare, and a host of other issues affecting the stock of health capital. It is important, therefore, to understand not only how governments affect health capital, but, it is also important to know why governments formulate policies as they do. Answers to these two questions hold the potential for improved decision and policymaking in the future.

C. OUTLINE OF THE THESIS

Over the past three to four decades Russia's health capital has been in decline. Government policies and efforts have failed to reverse or slow the decline. The purpose of this thesis is to examine Russia's declining health capital in light of government policy. Specifically, it will seek to explain the continuity and consistency of the government policy in its failure to deal with Russia's declining health capital effectively. Chapter II will explore a number of factors which possibly influence the formation of government policy connected to health capital. This chapter will provide a foundation for determining potential explanations in the persistent inability of the Russian government to solve the country's health and demographic crisis. Chapter III will describe the current status of health capital in Russia, primarily in terms of health indicators and demographic measurements. Chapter IV will highlight a number of government policies intended to deal with a variety of issues affecting health capital. The purpose of this chapter is to illustrate the consistent failure of the government to compose and execute effective policy. Chapter V, based on an analysis of this research, will attempt to determine why

government policy affecting health capital in Russia consistently been ill-formulated and poorly executed. Additionally, the chapter will offer a number of recommendations for policy change based on the findings.

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II. EXPLANATIONS OF GOVERNMENT POLICY

The purpose of this chapter is to explore potential factors affecting the formulation and implementation of Russian government policy as it affects health capital. Specifically, the goal is to ascertain why government policy, over the past two to three decades, has consistently failed to slow the decline in health capital. This chapter will present a number of possible variables, or factors, which may have influenced the formulation and implementation of policy in such a way as to prevent the creation of effective responses to the crisis of declining health capital.

These potential explanations can be divided into four general arguments or categories for the purposes of this research: state-society relations, institutional, ideological, and economic. Each will be examined in the context of how they might influence health capital through the formulation and implementation of government policy. First, scholars point to an evident degree of continuity in state-society relations from tsarist Russia to the present. The first section will explore three major themes which may contribute the continuity, perceived or real, in state-society relations. The second section will explore the institutional and ideological factors which may influence government policy. Finally, the constraints and effects of economic realities and goals on government policy will be explored in the third section.

As will be demonstrated in the next chapter, Russia's health capital has been in decline since before the collapse of the Soviet Union. The events of the 1990s accelerated a decades' long decline in health capital, wreaking havoc on society as a new political and economic system emerged. Despite recognition of the growing crisis by the governments of both the Soviet Union and the Russian Federation, government policy has failed to effectively arrest the precipitous fall in health capital.[33] While government policy obviously is not the only factor affecting the level of health capital in the Russian Federation, it can and does play a significant role.

[33] See President Vladimir Putin, *Annual Address to the Federal Assembly* (10 May 2006), at http://www.kremlin.ru/eng/sdocs/speeches.shtml?type=70029, accessed on 16 February 2007.

Throughout the world, governments implement policies aimed at improving and maintaining health capital. As previously mentioned, health capital is not only a matter of human rights, but also a necessary component of economic development and growth. Joseph Stalin and other early Soviet leaders recognized the need for a more reliable labor force and aggressively pushed for improved public health and social welfare. As late as the mid-1960s, the Soviet Union succeeded in closely matching the West in public health improvements and level of health capital. From the 1970s on, however, Soviet health capital was in decline and government policies either ignored or failed to properly address the developing crisis. Since the collapse of the Soviet Union, the decline in health capital has accelerated. Both the Yeltsin and Putin administrations, despite efforts at democratization and market reforms, have failed to develop or implement policies capable of effectively dealing with the crisis of declining health capital.

A. STATE-SOCIETY RELATIONS

Due to the impact of government policy on health capital, it is critical to understand the political system within which states formulate and execute policy. State-society relations define the political system and determine the constraints placed on government policy and resource allocation. The political history of Russia has an important bearing on the formation of government policy because it has shaped how the state and the population interact. State actions and decisions are impacted by the dynamics of state-society relations. In the case of Russia, where political evolution took a distinctly different path than it did in Europe, the state has had relative freedom to act according to its own wishes. Societal concerns, as voiced from below, rarely have occupied central stage in state affairs.

The collapse of the Soviet Union and the demise of the Communist Party suggested an imminent shift from authoritarianism to democracy. Democratization in the Russian Federation, however, hit a serious speed bump with the failures of the Yeltsin administration to govern effectively. Recent decisions and actions taken by the Putin administration suggest a noteworthy departure from earlier efforts at democratization. State-society relations in Russia appear to be reverting to the dynamic of extensive government control and limited public participation. The apparent reemergence of an

authoritarian state in Russia, therefore, requires a close look at earlier historical periods which may have contributed to current political trends.

1. Imperial Russia and the Patrimonial System

For centuries in Russia, the relationship between the masses and the ruled was patrimonial. Russia's historical patrimonial system can be defined as government dominated by "personal authority based on tradition" in which there "exist no formal limitations on political authority, nor rule of law, nor individual liberties."[34] The sovereign was entitled to make and enforce any decision it deemed desirable, without limited serious regard to the wishes of the governed. The masses largely were powerless to influence their leaders or take any part in political decision-making. Extensive control of Russia's resources and property likely gave the tsar and the state the ability to maintain an authoritarian political system.[35]

Overall, the patrimonial system did little to encourage an active partnership between the state and society. Centuries with limited or no political influence did little to encourage a broad-based demand for political rights among the population. Society was largely organized to serve the interests of the state and the sovereign. The result was a government which often acted as it saw fit and a public that endured. Based on average life expectancy at the end of the tsarist period, 30.9 years for men in 1896, issues of social welfare and public health were not a top priority of the state or of the population.[36]

It is important to note that the tsar was not all-powerful within the framework of the patrimonial system. Each successive tsar (and Russian/Soviet leader) was limited in their goals and actions by bureaucratic institutions and inadequate resources.[37] Additionally, there were a number of attempts, successful and unsuccessful, by the tsar

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[34] Richard Pipes, *Russia Under the Old Regime* (New York: Penguin Books, 1995): 22-23.

[35] Richard Pipes, *Property and Freedom* (New York: Alfred A. Knopf, 1999): xv. See also Martin Malia, *The Soviet Tragedy: A History of Socialism in Russia, 1917-1991* (New York: The Free Press, 1994): 133-134.

[36] William C. Cockerham, M. Christine Snead, and Derek F. DeWaal, "Health Lifestyles in Russia and the Socialist Heritage," *Journal of Health and Social Behavior,* Vol. 43, No. 1 (March 2002): 43.

[37] Peter the Great's attempts at reform were met by resistance from several sections of Russian society throughout his reign. The nobility and Orthodox Church particularly were opposed to several of his reforms. See Robert K. Massie, *Peter the Great: His Life and World* (New York: Ballantine Books, 1980). See also Dominic Lieven, "Bureaucratic Authoritarianism in Late Imperial Russia: The Personality, Career and Opinions of P.N. Durnovo," *The Historical Journal,* Vol. 26, No. 2 (June 1983): 391-402. Lieven recounts the efforts of one influential Russian bureaucrat to stymie reforms put forward by the tsar.

and others to reform the patrimonial system. Alexander II emancipated the serfs and attempted to increase the level of political participation among the population.[38] Other political leaders, bureaucratic officials, and members of the intelligentsia also sought "to adapt imperial Russian society in one degree or another to the requirements of the modern world."[39] Nicholas II acquiesced to demands which limited his authority as tsar, albeit only partially and temporarily.

2. Communist Paternalism

As the Communists finished their revolution and consolidated their control of the state, the patrimonial relationship was not abandoned entirely, but adapted. Political authority rested in the hands of an elite group of Party members. Property was abolished or remained in the hands of the state; the population was left with little leverage over those making political decisions.[40] The new Communist state, like the tsarist before it, continued to deny the population the right of political participation and used repression to enforce its will on any dissident elements.

There was, however, an important change in state-society relations. According to the dictates of Marxist-Leninism, the creation of socialism required that the "vanguard of the proletariat…enlighten the oppressed, uneducated, and fragmented Russian workers and peasants."[41] Creation of the new Soviet man demanded greater care by the state for the needs of the population. Increased focus on education and healthcare allowed the state "to mobilize all material resources and human energies for the task of rapidly creating a 'socialist' society."[42] As a result, repression was augmented with the concept of a "social contract" between the state and the population.[43] The basic premise of the

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[38] Pipes, *Under the Old Regime*, 295-296 and 341.

[39] Cyril E. Black, "The Nature of Imperial Russian Society," *Slavic Review*, Vol. 20, No. 4 (December 1961): 574.

[40] Walter D. Connor, "Soviet Society, Public Attitudes, and the Perils of Gorbachev's Reforms: The Social Context of the End of the USSR," *Journal of Cold War Studies*, Vol. 5, No. 4 (Fall 2003): 55-62.

[41] Erik P. Hoffman, "The Evolution of the Soviet Political System," *Proceedings of the Academy of Political Science*, Vol. 35, No. 3, The Soviet Union in the 1980s (1984): 1. Hoffman details the effort by successive Soviet leaders to accomplish Party goals within the Soviet political system.

[42] Ibid., 4. See also Stephen White, *Political Culture and Soviet Politics* (New York: St. Martin's Press, 1979): 64-83. The process of "making the new Soviet man" entailed a concerted effort to socialize younger generations into the Communist political system.

[43] Linda J. Cook, *The Soviet Social Contract and Why It Failed: Welfare Policy and Workers' Politics from Brezhnev to Yeltsin* (Cambridge, MA: Harvard University Press, 1993): 1-2; and Connor, 56.

contract was an unwritten, unspoken agreement between the state and the society at large. In exchange for public cooperation and acceptance of the Communist Party's "extensive and monopolistic power" the state would guarantee society "full and secure employment, state-controlled and heavily subsidized prices for essential goods, fully socialized human services, and egalitarian wage policies."[44] Gail Kligman describes this relationship as a paternalistic one, in which the "state structured dependency relations, simultaneously encouraging passivity from most members of society."[45]

Paternalism did result in a number of improvements in the standard of living and health capital for the Soviet citizens. Between 1900 and 1939, the average life expectancy for both sexes rose from 32 to 43 years. From the end of World War II, the increase in life expectancy was even more dramatic, rising to over 64 by 1965.[46] In the long run, however, Soviet paternalism also had an enduring negative impact on Russia's health capital. The social contract at the center of the paternalistic relationship was dependent on economic growth. The economic declines of the 1970s and falling oil prices on the world market reduced the cash flow into the Soviet Union and hindered the state's ability to provide the material and welfare needs of the society.[47] Stagnation of the Soviet economy had a number of deleterious effects on the population. Living standards ceased to rise and began to fall. Opportunities for social mobility disappeared. Public trust and confidence in the state began to dissipate. At the same time, the state began to lose control over factors affecting the public.

The rise and collapse of the paternalistic state in the Soviet Union had two direct effects on Russia's level of health capital. First, the state felt free to pursue policies aimed at keeping the Party in power rather than looking after the welfare of society. Healthcare was funded under the "residual principle" wherein all other government

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[44] Cook, *The Soviet Social Contract and Why It Failed: Welfare Policy and Workers' Politics from Brezhnev to Yeltsin*, 1-2.

[45] Gail Kligman, "The Social Legacy of Communism: Women, Children, and the Feminization of Poverty," *The Social Legacy of Communism*, editors James R. Millar and Sharon L. Wolchik (New York: Woodrow Wilson Center Press, 1994): 256.

[46] Vladimir Shkolnikov, France Mesle, and Jacques Vallin, "Health Crisis in Russia: Recent Trends in Life Expectancy and Causes of Death from 1970 to 1993," *Population: An English Selection*, Vol. 8 (1996): 124.

[47] Connor, "Soviet Society, Public Attitudes, and the Perils of Gorbachev's Reforms: The Social Context of the End of the USSR," 47-48.

functions were funded first.[48] The process of making policy was shrouded in secrecy, preventing the public from understanding what was being done and why.[49] The state, with limited accountability to society, proved willing to shirk its responsibility to societal well-being when faced with what it perceived as higher priorities.[50] Second, society had come to rely on the state for almost all aspects of their well-being, including health needs. As a result, individuals had little incentive to look after their own health. When the quality and availability of state health services declined, society was not prepared to take responsibility for its own needs, looking instead to the state to do its duty.[51]

3. Bureaucratic Authoritarianism

Russia's brand of bureaucratic institutions is another product of the rise of the patrimonial state. Bureaucracy is important to a nation's health capital because of its ability (or inability) or willingness (or unwillingness) to implement government policy. Policies aimed at improving health capital are subject to the efforts and intentions of the bureaucracy tasked with implementing the policy. Additionally, the public's perception of the bureaucracy, whether positive or negative, affects the level of trust in the system. In a country like Russia, where healthcare remains the primary responsibility of the state, trust in the willingness and ability of the bureaucratic institutions to meet government obligations is key in determining the attitude of the public towards the issues involved. The public often equates bureaucratic institutions with the state. Lack of public trust in the ability of the Russian state to look after its health may increase the level of apathy of Russians towards their own health, resulting in unhealthy and risky personal behavior.

A cursory look at the formation and functioning of Russia's bureaucracy quickly reveals that it does not fit ideal model described by Max Weber. The Weberian model of bureaucracy has been described as "efficient, apolitical, and highly qualified" containing

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[48] RAND, "Russia's Mortality Crisis: Drinking, Disease, and Deteriorating Health Care," *Population Matters: Policy Brief* (2001), at http://www.rand.org/pubs/research_briefs/RB5056/index1.html, accessed on 28 April 2006.

[49] Robert V. Daniels, "Russian Political Culture and the Post-Revolutionary Impasse," *Russian Review*, Vol. 46, No. 2 (April 1987): 169.

[50] Boris A. Rozenfeld, "The Crisis of Russian Health Care and Attempts at Reform," *Russia's Demographic 'Crisis,'* editors, Julie DaVanzo and Gwen Farnsworth (Santa Monica, CA: RAND, 1996): 1, at http://www.rand.org/pubs/conf_proceedings/CF124/CF124.chap5.html, accessed on 20 February 2007.

[51] Ibid., 1.

"an ethos of service to society."[52] Russian and Soviet bureaucracy can be described accurately as the antithesis of the Weberian model. Since tsarist Russia, the bureaucracy has been the instrument of a self-interested state. In essence, Russia's bureaucracy became an independent caste "dominated by an 'ethically negative occupational solidarity' and an ideology of self-interest which was equated with state interest."[53] No civil society existed to provide a counterweight to the excesses of the bureaucracy. This same system continued unabated throughout the Soviet era, formalized in the *nomenklatura* system of the Communist Party. The state allowed the bureaucracy to extract wealth from the society in exchange for its support. Corruption was an expected and normal part of interaction with Russia's bureaucracy.[54]

Another important aspect of tsarist and Soviet bureaucracies was its ability to limit the activities and efforts of the tsar and the Party leaders. This feature, often referred to as bureaucratic authoritarianism, exists "when either a bureaucracy seizes power, turning itself in a governing party, or a party seizes power, turning itself into a governing bureaucracy."[55] While the bureaucracy in Russia has never exercised complete control of the state, it has demonstrated a remarkable ability to influence government policy and to retain its authority by limiting the extent of any reforms aimed at weakening its power.[56]

The Soviet bureaucracy, which only partly collapsed with Communism, has begun to rebuild itself with the tacit support of the Putin administration. As Putin systematically weakened the oligarchs of the Yeltsin era, the bureaucrats returned to their positions of prominence and power in Russian society. Today, in fact, Putin is often

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[52] V. Gimpel'son, "The Size and Composition of the Russian Bureaucracy," *Problems of Economic Transition*, Vol. 46, No. 5 (September 2003): 54; and Daniel T. Orlovsky, "Recent Studies on the Russian Bureaucracy," *Russian Review*, Vol. 35, No. 4 (October 1976): 452.

[53] Orlovsky, "Recent Studies on the Russian Bureaucracy," 455-456.

[54] Pipes, *Under the Old Regime*, 283-286.

[55] Phil Roeder, *Red Sunset: The Failure of Soviet Politics* (Princeton: Princeton University Press, 1993): 249.

[56] Lieven recounts the ability of one bureaucrat in particular to influence government policy and slow reforms. See Lieven, "Bureaucratic Authoritarianism in Late Imperial Russia: The Personality, Career and Opinions of P.N. Durnovo," 391-402. See also Eugene Huskey, "Government Rulemaking as a Brake on Perestroika," *Law & Social Inquiry*, Vol. 15, No. 3 (Summer 1990): 419-432; and Hoffman, "The Evolution of the Soviet Political System," 6-8 for his account of Krushchev's struggle to overcome the opposition of the Soviet bureaucracy.

limited in his ability to formulate and enact policy by a bureaucracy intent on preserving its position of authority and access to sources of wealth. The current bureaucratic institution shows little concern for the welfare of society. As described by Lilia Shevstova, in her book *Putin's Russia*:

> The new authorities once again demonstrated their indifference, apparently thinking that the patience of the Russian people was unlimited. It was not so much that the state refused to increase spending on health and welfare, preferring [instead] to increase the budgets for the apparatchiks, defense, and special services. More important was the fact that the state was not creating incentives for people to help themselves…[57]

Public confidence in Russia's government and bureaucratic institutions has remained low since before the collapse of the Soviet Union. While public approval of President Putin has been relatively high, trust in the rest of government has not. A recent paper by Vladimir Shlapentokh details the negative attitudes of the public towards public institutions. For instance, Shlapentokh points out that "there is no one institution that can garner more than 40-50 percent of the nation's trust."[58]

Russia's resurgent bureaucracy has the potential to exacerbate the current crisis in health capital while upsetting government attempts at modernization.[59] First of all, attempts to reform healthcare or other welfare issues affecting health capital are subject to the efficiency and intentions of the bureaucracy. It is likely that social welfare issues will continue to play second fiddle to issues considered more important by the current cadre of apparatchiks. As the bureaucracy becomes more entrenched, it will be more difficult for future governments to enact any meaningful reforms. Second, the corruption of the bureaucracy will consume much of the resources that may be intended for health improvements. Finally, the inability of society to hold the bureaucracy accountable for incompetence and corruption will only further erode public trust in the state and increase

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[57] Lilia Shevstova, *Putin's Russia* (Washington D.C.: Carnegie Endowment for International Peace, 2005): 334. See also Lilia Shevstova, "The Limits of Bureaucratic Authoritarianism," *Journal of Democracy*, Vol. 15, No. 3 (July 2004): 67-77.

[58] Vladimir Shlapentokh, "Trust in Public Institutions in Russia: The Lowest in the World," *Communist and Post-Communist Studies*, 39 (2006): 155.

[59] Lilia Shevstova has also referred to Russia's political system as being "bureaucratic quasi-authoritarianism." Regarding the negative impact of the bureaucracy on the implementation of government policy, she wrote: "The Russian regime rests mainly on the bureaucracy, which has been the gravedigger of all attempts at modernization in Russia…" See Shevstova, "Russia's Hybrid Regime," 67.

the overall level of hopelessness. It is difficult for individuals to concern themselves with the long-term issues when the future is so uncertain.

4. Summary

The legacy of Russia's political history continues to affect the formation and implementation of government policy in Russia today. State-society relations, today, continue to exhibit some of the same tendencies common to what existed in tsarist and Soviet times. Under President Putin, Russian society appears to be losing its ability to influence the government. At the same time, the resurgence of bureaucratic authoritarianism may limit not only the accountability of state institutions to the public, but also the ability of the Russian president to formulate and enact polices as he desires. It appears that state-society relations in Russia and the Soviet Union did not necessarily encourage a heavy and permanent focus on issues affecting health capital.

These continuities in state-society relations suggest the possible existence of a Russian political culture which has shaped the country's political system. Political and social scientists have debated the concept of culture and its explanatory value for decades. The concept of culture seeks to encompass and synthesize the thoughts, actions, interactions, and overall behavior of individuals in order to describe society at large. Political culture, then, can be understood as a set of common perceptions, understanding, and ideas which influence the functioning of a political system. While the primary purpose of political culture is to explain continuity, it is equally important to understand that political culture can and does evolve.[60] Issues like health are ignored as daily survival consumes increasingly more time and energy. There are two schools of thought on Russian political culture. One holds that there is only one dominant political cultural in Russia that is essentially paternalistic and authoritarian.[61] The other points to an

[60] The literature on political culture, to include its definition and explanatory value, is immense. See among others Gabriel A. Almond and Sidney Verba, *The Civic Culture* (Princeton: Princeton University Press, 1963).; Stephen Chilton, "Defining Political Culture," *The Western Political Quarterly*, Vol. 41, No. 3 (September 1988): 419-445; John Street, "Political Culture-From Civic Culture to Mass Culture," *British Journal of Political Science*, Vol 24, No. 1 (January 1994): 95-113; and M. Margaret Conway, "The Political Context of Political Behavior," *The Journal of Politics*, Vol. 51, No. 1 (February 1989): 3-10.

[61] See Edward L. Keenan, "Muscovite Political Folkways," *Russian Review*, Vol. 45, No. 2 (April 1986): 115-181; White, *Political Culture and Soviet Politics*; and Robert V. Daniels, "Russian Political Culture and the Post-Revolutionary Impasse," *Russian Review*, Vol. 46, No. 2 (April 1987): 165-175. Richard Pipes, in his books *Russian Under the Old Regime* and *Property and Freedom*, also strongly suggests the existence of a paternalistic, or patrimonial, political culture in Russia.

alternative, though less dominant political culture that embraces democratic values and a more optimistic view to the future.[62] The existence of such an alternative suggests the possibility of change away from paternalism. Whether political culture explains Russian health policy is considered in the concluding chapter.

B. INSTITUTIONAL AND IDEOLOGICAL FACTORS

Within political systems there are a number of other institutional and ideological factors which are also capable of affecting government policies and, in turn, health capital. These institutional and ideological features are influenced by both historical and modern forces. This section will address three institutional features and one ideological facet which influence the formation of government policy in the Russian state. In terms of institutional characteristics it will cover the weak democratic nature of the Russia's current political system, the affect of Soviet healthcare on the current system, and the perception of policy being shaped by conservative moral judgments. Finally, it will explore the affect of elite aspirations for modernization and recognition as a great power status.

1. Weak Democratic Institutions

Russia's lack of a civil society, or what Celeste Wallander terms "civic activism" has limited the ability of the public to push an agenda for change onto the government.[63] The lack of strong democratic institutions in Russia is intricately linked with its political past. The patrimonial and paternalistic systems of yesteryear effectively prevented the creation of a civil society that would be powerful enough to influence the government on matters such as public health. The failure of Russia to realize "political competition and oversight" of the state has allowed the government a free hand in doing nothing substantial to rectify the growing health capital catastrophe.[64]

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[62] Nicolai Petro suggests that along with Russia's paternalistic political culture another, more democratic and optimistic political culture competes for influence. See Nicolai N. Petro, *The Rebirth of Russian Democracy: An Interpretation of Political Culture* (Cambridge: Harvard University Press, 1995). Frederic Fleron highlights empirical research suggesting strong support for democratic values within the Russian population. See Frederic J. Fleron, Jr., "Post-Soviet Political Culture in Russia: An Assessment of Recent Empirical Investigations," *Europe-Asia Studies*, Vol. 48, No. 2 (March 1996): 225-260.

[63] Celeste A. Wallander, "The Politics of Russian AIDS Policy," *PONARS Policy Memo No. 389*, (December 2005).

[64] Wallander, "The Politics of Russian AIDS Policy."

Matthew Baum and David Lake conducted a series of studies which indicate that the level of democracy within a country affects the level of education attainment and life expectancy within a country. In particular they note that:

> More democratic states tend to provide higher levels of public health, as measured by a variety of output indicators including infant mortality, life expectancy, and immunizations…the causal arrow appears to run from democracy to public health and education rather than the reverse.[65]

Governments that are held accountable by the people tend to perform better at providing society the agreed upon services.

Where does the current Russian political system fit into the spectrum? In his annual speech to the Federal Assembly in 2004 and 2005, President Putin stressed the importance of democracy in the Russia Federation. He stated.

> No one and nothing will stop Russia on the path to consolidating democracy and ensuring human rights and freedoms…creating a free society of free people in Russia is our most important task.[66]

> I consider the development of Russia as a free and democratic state to be our main political and ideological goal.[67]

Despite Putin's rhetoric concerning Russia's democratic aspirations, in 2006 the Freedom House rated the country as "not free." In terms of political rights it received a rating of 6 (1 being free and 7 not free on the spectrum), and a rating of 5 on civil liberties. Russia's ratings were similar to those found in the Central Asian Republics and Middle Eastern monarchies.[68]

Since assuming the office of President, Putin has consolidated power into the Federal Government. All major television media either belongs to the government or is under the control of the government. The government has used this control to influence public opinion regarding political issues and elections. The activities of non-

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65 Matthew A. Baum and David A. Lake, "The Political Economy of Growth: Democracy and Human Capital," *American Journal of Political Science*, Vol. 47, No. 2 (Apr., 2003), 335.

66 Vladimir Putin, *Annual Address to the Federal Assembly* (26 May 2004), at http://www.kremlin.ru/eng/text/speeches, accessed on 20 February 2007.

67 Vladimir Putin, *Annual Address to the Federal Assembly* (25 April 2005), at http://www.kremlin.ru/eng/speeches/, accessed on 20 February 2007.

68 See Freedom House at http://www.freedomhouse.org, accessed on 20 February 2007.

governmental organizations (NGOs) have been curtailed and brought under increased scrutiny by the government, essentially weakening the chance for civil society to form around such institutions and issues. Civil society, however, was not forgotten by the government. In an attempt to improve appearances and gain public and international support for the Russian government, Putin oversaw the creation of the Public Chamber. Essentially the Chamber was organized by the government around issues for which the government desired increased public support. With government funding and members appointed by the administration, the Chamber has supported the government's agenda in the public realm.

Scholars and observers of the political situation in Russia have struggled to define and accurately describe the system.[69] Lilia Shevstova described Russia's political institution a "hybrid regime,"

> …founded on the principle of a weakly structured government and relying on both personalistic leadership and democratic legitimation. This combination of incompatible principles enables the regime to develop simultaneously in various directions: toward oligarchy, toward authoritarianism, and towards democracy as well. Yet such a regime can hardly be consolidated; its contradictory tendencies are a sure recipe for instability.[70]

Others have described it as a "managed democracy," in which

> …the leaders use government resources and manipulation to ensure that they will not be defeated in elections, although they do permit democratic institutions and groups to function to a limited extent.[71]

Whatever the appropriate name or most accurate description, Russia's current political system continues to allow the elite a relatively free hand in setting the national agenda. A strong civil society is yet to emerge in Russia. Within the framework of the current political system, society has little opportunity to effectively voice its concerns over issues affecting health capital; and the government has little reason to listen. It is interesting to note that in his annual speech to the Federal Assembly in 2005, President

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[69] Jim Nichol, "Democracy in Russia: Trends and Implications for U.S. Interests," *CRS Report for Congress* (23 January 2007).

[70] Lilia Shevstova, "Russia's Hybrid Regime," *Journal of Democracy*, 12.4 (2001): 67.

[71] Nichol, "Democracy in Russia: Trends and Implications for U.S. Interests," 3.

Putin mentioned the word democracy almost fifteen times. In his 2006 address, he used the word only twice.[72] Democracy in Russia seems to be slipping away and with it any realistic hope of an effective civil reaction to the crisis of declining health capital.

2. Soviet Healthcare

Russia's inheritance of the Soviet healthcare system has proven to be a sizeable obstacle to improvements in health capital. While Soviet healthcare policy will be covered in more detail in Chapter IV, it is important to highlight a few of the structural problems which have been passed on to the Russian Federation.

First, the universal guarantee of state funded healthcare carried over from the Soviet Union to the Russian Federation. The Soviet healthcare system met with considerable success in elevating the country's health capital at least through the 1960s. Following the collapse of the Soviet Union, however, the Russian Federation was unprepared and largely unable to adequately fund the national healthcare system. The result of inadequate funding and resources was deterioration in healthcare facilities, equipment and overall services.

Second, Soviet healthcare was focused on curative medicine, which proved ineffective at dealing with the epidemiological shift from infectious diseases (such as tuberculosis, influenza, hepatitis, and others) to non-communicable diseases (such as cardiovascular diseases). The current healthcare system in the Russian Federation also has struggled to make the requisite transition from curative to preventive medicine.

Third, the Soviet healthcare system, while largely based on Western medical models, had been cut off from cutting-edge medical technology and research. As a result, doctors and administrators within the current healthcare system, limited by resources, are forced to choose between modernization and being able to treat as many patients as possible.

Finally, health education, especially concerning sexual and reproductive issues, was seriously lacking in the Soviet Union. This trend has carried over into the current system. The result has been a catastrophic rise in sexually transmitted infections,

[72] See President Vladimir Putin's *Annual Addresses to the Federal Assembly* (10 May 2006), at http://www.kremlin.ru/eng/speeches/, accessed on 20 February.

non-communicable diseases, and health problems arising from behavioral choices (i.e. alcohol consumption and tobacco use).[73]

Today, Russia's healthcare system continues to struggle with these issues as well as several others inherited from the Soviet era. As outlined in Chapter Four, efforts at government reform, thus far, largely have proven ineffective at rationalizing and modernizing the healthcare system. Without significant improvements in technology, organization, and health education, health capital likely will continue to decline.

3. The Victorian Impulse

Political systems are also subject to the influence of institutional attitudes. Eduardo Gomez, in his paper on the HIV/AIDS crisis, points to a set of cultural or institutional attitudes that likely have influenced Russian policies affecting health capital as well. In particular, Gomez claims that a "Victorian impulse dominates" the formation of government policy towards many health issues which are viewed as resulting from irresponsible or immoral personal choices.[74] These Victorian views, a legacy of both the Russian Orthodox Church and Soviet conservatism, are prevalent among the ruling elite in government today. As a result, efforts to ameliorate the suffering of society's "sinners" have not been a top priority of government policy, resulting in inadequate funding of potentially lifesaving programs and treatments.

Emerging health epidemics perceived to be caused by personal behavior, such as HIV/AIDS, sexually transmitted infections, tuberculosis, hepatitis, as well as those brought on by consumption of alcohol, drugs, and tobacco, do not receive much sympathy from those in control of national resources and policy. These Victorian tendencies may be increasing as the political influence and public support of the Russian Orthodox Church continues to rise.[75]

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[73] Soviet healthcare and its affect on healthcare in the Russian Federation are covered much more extensively in Chapter IV. See Tragakes and Lessof, *Health Care Systems in Transition: Russian Federation, 2003*, 22-25, 104-105, 167; Mark G. Field, "Medical Care in the Soviet Union: Promises and Realities," in *Quality of Life in the Soviet Union*, edited by Horst Herlemann (Boulder, CO: Westview Press, 1987): 65-82; and Rozenfeld, "The Crisis of Russian Health Care and Attempts at Reform."

[74] Eduardo J. Gomez, "The Politics of Government Response to HIV/AIDS in Russia and Brazil," Paper prepared for the conference *Health and Demography in the Former Soviet Union*, cosponsored by the Davis Center for Russian and Eurasian Studies and the Weatherhead Center for International Affairs, Harvard University (29-30 April 2005), 1-6.

[75] Shlapentokh, "Trust in Public Institutions in Russia: The Lowest in the World," 163-164.

4. Modernization and the Pursuit of Great Power Status

Since the time of Peter the Great, Russia's relationship with Europe has consumed much of the efforts and attentions of the state apparatus. Relative to Europe, the one word consistently employed to describe Russia is *backward*. It has been Russia's constant attempt to overcome its backwardness through modernization and recognition as a great power, specifically relative to West Europe and later the United States that has consumed the attention, efforts, and resources of the Russian state.

While property ownership had contributed to the formation of the state in West Europe, the opposite had occurred in Russia. As the West moved toward eventual democratization and market economies, Russia became more authoritarian. In large part, Russia's authoritarianism was fueled by the need to militarize in order to control the vast geographic space of the Empire. Additionally, the Christian schism between the Roman Catholics and Orthodox Christianity also created an atmosphere of distrust and xenophobia in Russia, effectively isolating the country from Western influence for a number of centuries.[76]

After his consolidation of authority as tsar, Peter the Great realized that Russia was economically and militarily inferior to Europe, and thus, at risk of invasion. In response to this threat, Peter recognized that "the meager resources of the country had to be mobilized and squeezed to the limit by brutal state action."[77] Thus began the persistent efforts by each successive Russian leader, whether imperial, Soviet, or democratic, to overcome Russia's backwardness through top-down reform and forced modernization. Success was often measured in terms of international recognition of Russia's great power status and through provocative comparisons with West Europe and the United States. Almost a decade before the onset of World War II, Stalin clearly stated the overriding goal of the Soviet state:

> We are fifty or a hundred years behind the advanced countries. We must run that same distance in ten years. Either we do it or they crush us.[78]

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[76] Malia, *The Soviet Tragedy: A History of Socialism in Russia, 1917-1991*, 53-59.

[77] Ibid., 59.

[78] Ibid., 177.

Stalin's crash industrialization allowed the Soviet Union to defeat Nazi Germany and occupy much of Eastern Europe. Victory brought recognition as a great world power, formalized by a permanent seat on the United Nations Security Council. The start of the Cold War gave increased impetus to match the West, especially in military and nuclear capabilities. Each successive Soviet leader sought to obtain parity with the West and each failed. Forced modernization and the pursuit of great power status often forced issues such as social welfare and public health to the backburner of government policy. Limited time and investment were applied to solving and reversing the crisis in health capital that began to develop in the late 1960s.

Both Gorbachev and Yeltsin sought to obtain parity with the West outside of the standard construct of forced modernization of military and industry. Each attempted instead to involve the population in the political process in order to maintain Russia's great power status. Gorbachev's reforms, however, remained a top down attempt to reorder society which failed amid collapsing public confidence and a self-destructive economic system. [79] The Yeltsin administration attempted to overcome the country's backwardness by creating a market economy and a democratic form of government. Public trust in the government collapsed as the attempts at change failed to produce the promised results. Yeltsin's reforms, in large measure, failed due to ineffective planning and bureaucratic opposition to change.[80]

Today, within the Putin regime, there is a revitalization of Russia's attempt to achieve recognition as a great power and parity with the West. Putin, however, has abandoned the early efforts by Yeltsin and Gorbachev to emulate the West in terms of democratic freedoms. According to Andrei Tsygankov, Putin has focused on achieving "normal great power" status through market performance and integration with the West and the world at large.[81] Modernization and economic development, as in Soviet times, remain central to Russia's status as a great power. The difference is that Putin has

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[79] Malia, *The Soviet Tragedy: A History of Socialism in Russia, 1917-1991*, 405-443.

[80] For an examination of bureaucratic and systemic obstacles to political change in Russia, see Shevstova, "The Limits of Bureaucratic Authoritarianism;" Alexander J. Motyl, "Structural Constraints and Starting Points: The Logic of Systemic Change in Ukraine and Russia," *Comparative Politics*, Vol. 29, No. 4 (July 1997): 433-447; and Huskey, "Government Rulemaking as a Brake on Perestroika," 419-432.

[81] Tsygankov, "Vladimir Putin's Vision of Russia as a Normal Great Power," 134,

abandoned the economic ideology of the Party, accepting the basic tenets of the free market, while rejecting the need to sacrifice any degree of national sovereignty in the process. Another important aspect of Putin's attempts to regain (or maintain) great power status has been a renewed challenge to the West, particularly the United States, in terms of global influence. President Putin's direct verbal attack on the United States and its foreign policy during a recent speech at a conference in Munich highlights this renewed effort to measure the greatness of Russia in terms of international influence.[82]

Russia's consistent and resurgent efforts on achieving and maintaining parity with the West have never met with limited success. Since the time of Peter the Great, Russia has been considered a great power. This status was solidified further in the twentieth century with the Soviet victory over Nazi Germany, a permanent seat on the United Nations Security Council, acquisition of nuclear weapons, and the space race. The state has focused its efforts on ensuring economic growth and development in order to fund a formidable military (as in Soviet times) or to create a powerful economic force in terms of energy (as in the present day). These efforts have distracted the state from addressing social welfare issues, such as health and human capital. President Putin's return to objectives similar to those pursued during the Cold War does not portend a likely increase in government interest in issues affecting health capital. As Thomas Remington has noted:

> Over and over, modernization in Russian history has been imposed on society by autocratic rulers, generally with highly uneven effects on society.[83]

The current push for modernization will likely have the same consequences as it has in the past. Public health and social welfare problems will be kicked further down the road yet again.

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[82] President Vladimir Putin, *Speech at the Munich Conference on Security Policy* (11 February 2007), at http://kremlin.ru/eng/, accessed on 15 February 2007. See also recent article by Nikolay Spasskiy, Deputy Secretary of the Security Council of the Russian Federation, regarding Russia's national aspirations and self-image as interpreted by a member of the elite power structure. Nikolay Spasskiy, "Russia in History and in the Modern World: It Is Time for It to Confirm Its Role as a Great Eurasian Power," *Moscow Voyenno-Promyshlenny Kuryer* (5 April 2006), at http://www.opensource.gov/, accessed on 12 May 2006.

[83] Thomas F. Remington, *Politics in Russia, Fourth Edition* (New York: Pearson Longman, 2006): 124.

5. Summary

It appears that health capital in Russia continues to be susceptible to serious institutional and ideological obstacles. Failure to address these issues may result in a persistent drain on national health and resources. Health and social welfare issues in Russia continue to compete for the government's attention and limited resources. As long as the government is focused on its international image and elite priorities, however, it is unlikely that health capital will be addressed adequately in terms of policy. At the same time, persistent misperceptions among Russia's elite have resulted insufficient efforts to control widening of dangerous and deadly epidemics, putting the entire population at greater risk.

C. ECONOMIC FACTORS

Government policy towards health capital is subject to the influence of economic realities and decisions. Budgetary concerns often determine the shape and form of government policy. Russia's health capital has suffered since the low-tide of Soviet economic performance in the 1970s due to limited government funding. Insufficient national resources seem to have impacted particularly the health capital of Russia. With the government largely free to act without tremendous concern for social needs, limited resources have been directed toward elite priorities. Today Russia faces two specific economic challenges that affect the quality of government policy as it affects health capital: income per capita and primary export dependency.

1. Income and Health Capital

Household income plays a direct role in the level of health capital. In economic terms, health capital is a stock which can be increased, to a point, by investment. Investments in health capital include health diets, time to exercise, and access to quality healthcare. Each of these investments consumes resources, and in a market economy requires money.[84] It follows that higher wages, or higher GDP per capita, could translate into higher health capital. Also, according to Michael Grossman, "the higher a person's wage rate the greater is the value to him of an increase in healthy time."[85] In other

[84] Grossman, "On the Concept of Health Capital and the Demand for Health."

[85] Grossman, "The Human Capital Model of the Demand for Health," 29.

words, higher wages can translate into hope for a healthier future. A hopeful future in turn can encourage more careful planning, healthier choices, and fewer risky behaviors.

On the other hand, low incomes, can produce the opposite effect. Less money means fewer resources to protect and develop good health. The time horizon for the future shortens, and planning for health fades in importance. Also, lower household incomes put greater responsibility on the state to provide the resources necessary for a high standard of healthcare and social welfare. When government allocations for activities important to health are limited, the situation becomes troublesome.

In this context, Russia is a particularly interesting case. For decades healthcare and other forms of social welfare have been provided by the state, free of charge. Today, the Russian Federation still assumes primary responsibility for such issues. Due to limited funding, however, the state system is quickly becoming overwhelmed and greater numbers of Russians are forced to turn to privatized healthcare. Russians are not used to the idea of using their wages to pay for social services, as evidenced by the unpopularity of recent decisions by the Putin administration to monetize social benefits. Many Russians balk at the idea of using actual currency to pay for healthcare, unless absolutely necessary. The unfortunate result is that many are suffering from ill health due to unwillingness or inability to pay for medical care, contributing to the increase in morbidity and mortality.

Since the collapse of the Soviet Union, Russian citizens have, on average, had low wages compared to the rest of the developed world. The unwillingness and inability of the Russian population to adapt to healthcare based on market forces has further overwhelmed the limited resources offered by the government. As indicated by the comparisons in the table below, there appears to be a correlation between GDP, (or GNI), per capita and health capital.

Table 1. Income and Health Capital[86]

Country	GNI per capita, Atlas Method (US$)	Life Expectancy at Birth	Infant Mortality Rate (per 1,000 live births)
Russia	**3,410**	**65**	**17**
Ukraine	**1,270**	**68**	**14**
Kazakhstan	**2,300**	**65**	**63**
China	**1,500**	**71**	**26**
Poland	**6,140**	**75**	**7**
Germany	**30,690**	**79**	**4**
United States	**41,440**	**77**	**7**

The effectiveness of government policy in addressing the health crisis in Russia (discussed in the next chapter) is limited by the low income of the population.

2. Primary Export Dependency

Russia's reliance on oil as its primary export commodity may also be contributing to the decline in health capital. National economies dependent on primary exports "tend to under-perform relative to resource deficient economies" on several fronts.[87] Resource dependence, due to a number of factors, inhibits productivity and economic growth. Often local currency appreciates through the effect of what is termed Dutch Disease. This appreciation negatively impacts sectors outside of the primary export.[88] It has been noted among economists that these effects can spill over into the realm of health.

Michael Ross of the University of California at Los Angeles has highlighted the fact that countries dependent on primary exports such as oil and other minerals "fare worse on child mortality and nutrition, have lower literacy and school-enrollment rates and do relatively worse on measures like the UN's Human Development Index."[89] This effect may partly be explained by the fact that the poor are less able to adjust to the changing boom and bust cycle inherent in primary export economies resulting in falling real income. As real income falls negative health trends become apparent. With

86 World Bank Development Databank, at http://devdata.worldbank.org/, accessed on 15 February 2007.

87 Robert Looney, "Can Iraq Overcome the Oil Curse?" *World Economics* 7, No. 1 (January-March 2006): 24.

88 Ibid., 25.

89 *The Economist*, "The Paradox of Plenty; The Curse of Oil" (December 24, 2005): 63.

healthcare more expensive, people may be more likely to ignore health issues and nutritional needs suffer as dietary choices become more restrictive.

Further, reliance on primary exports can break down civic activism in two ways. First, a government reliant on primary export revenues in lieu of taxes has less incentive to interact with society. A government reliant on tax collection from the population is forced to deal with the people on a more intimate level. Such close interaction often results in exchange of information between the government and the public over how the money should be spent. Governments that are not reliant on the population for tax revenues are less likely to concern themselves with the needs or concerns of the population. Advocates for better health services and issues affecting health may go unnoticed.[90] It is important to point out, however, that beginning in 2001 revenues from income tax increased significantly. It remains to be seen if this increase in state reliance on the population for revenues will translate into increased political leverage for the population. Over the short run, though, little has changed.[91]

Also, a country awash in energy revenues can afford to ignore the deeper, institutional causes of declining health care and falling living standards. Funds, instead of being directed at such problems, are instead used to pursue other national goals. In the case of President Putin, the focus has been on continued economic development, particularly back into the energy market. As evidenced by recent events, Russia is using its energy exports as a foreign policy tool in its relations with neighboring states. Such efforts go back to the discussion of great power ideology. Once such money is gone, however, the deeper problems remain, often exacerbated by ignorance and time.

The Putin administration, however, has made one significant attempt to use increased energy and tax revenues to reform some social services available to pensioners and others considered disadvantaged. Beginning in January 2005, the government replaced several subsidized services, such as "free public transportation, low-cost electricity, free medicine for invalids and rent-free apartments for many government

90 *The Economist*, "The Paradox of Plenty; The Curse of Oil," 63.

91 Anders Aslund, "Russia," *Foreign Policy*, No. 125 (July-August 2001): 22.

workers" with cash payments averaging around $70.[92] Putin's attempt to institute limited neoliberal social reforms, while considered economically wise by many, proved too much for the affected portion of the population. In this instance, widespread protests succeeded in forcing the government to roll back some of the reforms. Unfortunately, the likely result may be further deterioration in the quality and availability of social services offered by the state.[93]

3. Summary

State policy affecting health capital is subject to economic factors. Historically low income has limited the effectiveness of Russia's current government policies addressing health and social welfare issues. The current boom in world energy prices has flooded the Russian government and society with money. As yet, however, these funds have not translated into overt improvements in health capital. Government policies and programs involving health and social welfare continue to be under-funded, while money is directed back at further economic development in the energy sector. It remains to be seen if rising incomes will eventually translate into increased health capital. Increased income, however, will be insufficient to raise health capital on its own. Both social services and the healthcare system must be modernized as well.

D. CONCLUSION

Government policy is particularly important to the level of health capital in Russia. Within the Russian Federation, the government maintains primary responsibility for the health and social welfare of the population. The current status of health capital in Russia suggests, however, that government has fallen short in its responsibility to society. The factors detailed above indicate that the Russian government faces a number of challenges in setting and implementing effective policies and reforms aimed at dealing with the worsening crisis. Many of these challenges are self-imposed. A long-term increase in health capital will likely require significant changes at all levels. The next chapter will detail the current status of health capital in Russia, which is the result of

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[92] C. J. Chivers, "Cash v. Benefits: Efficiency, or Assault on Russia's Soul?" *The New York Times* (18 June 2004): A.3.

[93] See *The Economist*, "Europe: The Shock of the Old; Russia's Protests" (22 January 2005): 41; and Guy Chazan, "Russians Protest Welfare Changes; End of Soviet-Era Freebies Dents Putin's Popularity; Risk to 2nd-Term Agenda," *The Wall Street Journal* (13 January 2005): A.10.

government and societal neglect over the last three to four decades. It will illustrate the gravity of the situation and highlight the need for serious efforts by the government and society to address the issue through meaningful and effective policy reforms.

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III. CURRENT STATUS OF RUSSIA'S HEALTH CAPITAL

Health capital in the Russian Federation has been in steady decline for at least three decades. This chapter will examine the status of Russia's health capital in terms of population trends, longevity of life, epidemiology, and healthcare. Demographic trends generally do not change overnight. The tempo of a particular trend may change, but, absent war, pestilence, or natural disaster, "demographic changes are very slow and very regular."[94] A look at current population trends will provide a clear snapshot of the deteriorating condition of Russia's health capital. Birth and death rates, which together drive a society's population trends, are influenced heavily by morbidity rates. Average life expectancies, in turn, are a function of the factors which lead to death. These factors include deaths resulting from accidents and violent deaths, as well as, those caused by illness and disease. The status and ability of healthcare systems to meet medical needs also affects the overall level and quality of health capital.

A. POPULATION CHANGE AND THE ECONOMIC EFFECT

The degree of population decline and rampant increase in morbidity threaten to undermine Russia's recent economic successes. President Putin has recognized the gravity of the situation and addressed it repeatedly in his annual address to the Federal Assembly.[95] Since 1992, Russia's population has declined by over 4 percent from 148.7 million to 142.2 million. Current projections vary, but the U.S. Census Bureau and the U.N. Population Division estimate that Russia's population will decline by 14 to 21 million by 2025, losing between 560,000 to 840,000 a year.[96] By 2050, Russia's population possibly could fall to 101.5 million.[97] Russia's population decline is driven

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[94] Nicholas Eberstadt, "Power and Population in Asia," *Policy Review*, No. 123 (February 2004): 1; found at http://www.policyreview.org/feb04/eberstadt_print.html, accessed on 7 November 2006.

[95] See the Russian Federation's Presidential website at http://www.kremlin.ru/eng/ for copies of President Putin's Annual Addresses; last accessed on 10 January 2007.

[96] Nicholas Eberstadt, "Russia, the Sick Man of Europe," *Public Interest* 158 (Winter 2005): 3-20.

[97] Padma Desai, "Running Out of Russians," *The Wall Street Journal*, New York: 22 May 2006, A13. In his research, E. M. Andreev estimates that Russia's population would be 17 million higher today if the country had experienced economic and health trends similar to those experienced in the European Union since 1960. See The World Bank, *Dying Too Young: Addressing Premature Mortality and Ill Health due to Non-Communicable Diseases and Injuries in the Russian Federation* (2005), at http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/ECAEXT/0,,contentMDK:20661159~pagePK:146736~piPK:146830~theSitePK:258599,00.html, accessed on 24 January 2007.

by the significant difference between the birth and death rate. Presently, for every 100 births in Russia there are more than 160 deaths; the population will decline by approximately 700,000 this year.[98] The reasons are varied and complex.

As previously noted, sizeable declines in population are indicative of serious health issues. As Russia's population continues to decline, its available labor pool will shrink, restricting possibilities for continued economic growth and development. Additionally, modern capitalism depends on a "vigorously expanding domestic market," and a shrinking population will translate into a smaller customer base.[99] A smaller customer base diminishes the incentives for production and future investment. It will likely take a full generation, or more, to replace the Russia's disappearing stock of human capital. Severe population decline, as Russia is experiencing, also poses a threat to national security. A recent report by the World Bank suggests three potentially negative results for national security. First, the pool of future conscripts will be significantly smaller, reducing the ability of the armed forces to maintain required manning and readiness levels. Second, a large portion of the national budget may be diverted away from the military to fund social welfare programs such as healthcare and pensions. Third, the potential economic losses incurred through population loss may upset internal stability and security.[100]

As the difference between birth and death rate widens, Russia's population will not only shrink, it will also age. Low birth rates, particularly when below replacement levels, mathematically translate into an aging population. Or in other words, a population ages when the birth rate is not sufficiently high enough to replace the existing population.[101] This phenomenon, particularly as it affects the working age cohort of the population, can result in a number of social welfare problems. Pensions will likely fall as smaller workforces are unable to provide a sufficient fiscal base for the larger and older, non-working generations. Many retirees will be forced to work longer in order to

98 Eberstadt, "Russia, the Sick Man of Europe," 3-20.

99 Ben J. Wattenberg, *The Birth Dearth: What Happens When People in Free Countries Don't Have Enough Babies?* (New York: Pharos Books, 1989): 7.

100 The World Bank, *Dying Too Young*, 16.

101 Nicholas Eberstadt, "Growing Old the Hard Way: China, Russia, India," *Policy Review* 136 (April-May 2006): 17-19.

supplement their pensions and to make up the shortfall in the labor markets. Future economic growth may be sacrificed as resources are used to prop up expanding social welfare programs.[102]

The Russian government's heavy reliance on energy revenues puts the state at even greater risk as the population continues to shrink. Currently, high world energy prices produce sufficient revenues for the Russian government to meet its obligations and maintain a relatively stable society. A drop in world energy prices, combined with a declining and ageing population, possibly could overwhelm the Russian state. It is unlikely that a shrinking Russian population could provide sufficient tax revenues to make up for the loss incurred by lower energy prices. In such a case, the Russian government likely would be forced to curtail its spending or find other sources of revenue. The political implications of such a scenario offer few visions of a hopeful outcome. A recent quote in the editorial of *The Washington Post* describes the developing crisis in Russia: "Populations will age, the customer base (for businesses) will shrink, there will be labor shortages, the tax base will decline, pensions will be cut, retirement ages will increase."[103]

As previously mentioned, Russia's population is aging as fertility rates continue to remain low. According to the UN, a population can be classified as "aging" when "persons 65 and older account…for over 7 percent of the total population."[104] As of 2005, Russia's population fits this description with 13.7 percent of the population over 65, up from 12.4 percent in 2001.[105] It is estimated that by 2025 the median age for the 15-64 age cohort of the population "will be about 42 years…three-and-a-half years higher than today."[106] If this trend continues, as it appears it will, pensions and social welfare for the growing retiree population will be forced to depend on a continually shrinking workforce. Beginning in 1998, the population of retirees has exceeded that of the under-

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[102] Nicholas Eberstadt calls this phenomenon the "graying" of society. For a more in-depth look see Nicholas Eberstadt, "Old Age Tsunami," *The Wall Street Journal.*

[103] Editorial, "Behind the Birth Dearth," *The Washington Post* (24 May 2006): A23.

[104] Eberstadt, "Growing Old the Hard Way," 18.

[105] Federal State Statistics Service, "Population by Age Groups," at http://www.gks.ru/free_doc/2006/rus06e/05-02.htm, accessed on 24 January 2007.

[106] Eberstadt, "Growing Old the Hard Way," 30.

working age cohort. Since 2000, the gap between the two age cohorts has grown from one million to over five million.[107] In terms of population support ratio (PSR), or the number of working age members of the population to the aged, non-working portion of the population, the situation in Russia will measurably worsen. The U.S. Census Bureau estimates that Russia's PSR, over the next 25 years, will fall from 5.5:1 to 3.3:1.[108]

B. DEMOGRAPHICS

1. Fertility Rate

While fertility rates in Russia have risen some over the last five years, they remain at around 1.32 births per woman compared to the net replacement rate of 2.33.109 In 2003, Russia had the sixth lowest fertility rate in the world.[110] Compared to Europe, Russia's fertility rate does not seem irregular. While slightly lower than fertility rates in northern Europe, fertility rates in Russia are similar to those found in southern Europe. There are important differences, however. Declining fertility rates in Europe are largely due to the increased number of women pursuing education and careers, increased control over reproductive choices, and access to higher quality healthcare. In Europe, where the concept of success has evolved, families are either postponed or kept small.[111]

In Russia, on the other hand, the causes of falling fertility rates are affected not only by personal choices, but, by serious external environmental and health factors. Economic, social, and health issues are suppressing the birth rate. Despite relative stability and economic success since 2000, the tumultuous events of the 1990s have not been forgotten. Fear of an uncertain future continues to affect the population. Low income and housing shortages combined with uncertainty dissuade potential parents from starting or expanding their families. The problem is further exacerbated by what

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[107] David E. Powell, "Putin, Demography, Health, and the Environment," *Putin's Russia: Past Imperfect, Future Uncertain*, editor Dale R. Herspring (Lanham, MD: Rowman & Littlefield Publishers, Inc., 2005): 90. See also Federal State Statistics Service, "Population by Age Groups."

[108] Eberstadt, "Growing Old the Hard Way," 27.

[109] Due to its high death rate, Russia's net replacement fertility rate is at 2.33 live births per woman. See Eberstadt, "Russia, the Sick Man of Europe," 3-20

[110] Sharon LaFraniere, "Russians Feel Abortion's Complications: Used as Birth Control in Soviet Times, Practice Has Led to Widespread Infertility," *The Washington Post* (22 February 2003): A16.

[111] Martin Wolf, "How to prevent old Europe from becoming a dying continent," *Financial Times*, 5 March 2003, 21.

Nicholas Eberstadt refers to as the "Marriage Question."[112] Fewer young Russians are getting married and divorce rates are on the rise. Over the 20 years prior to 2001, marriage rates in Russia fell by one-third and divorce rates rose by the same. In 1995, only about 75 percent of young people were likely to get married, while the odds of divorce had risen to 50 percent. The decline in the number of two parent families and the instability of marriage has contributed to the declining fertility rate. As marriage rates have dropped along with birth rates, the proportion of out-of-wedlock newborns more than doubled between 1987 and 2001, further straining a diminishing social welfare system. Potential parents, especially mothers, are less willing to give birth in the absence of a secure family environment.[113]

The steady rise in the rate of medical infertility among the Russian population, however, indicates a significant negative trend in terms of health capital. While estimates of the level of medical infertility in Russia vary, it is obvious that the numbers are significant. Current estimates put the level of infertility among married couples of childbearing age between 13 and 30 percent.[114] Russia's high incidence of sterility, in large part, is attributable to the negative impact of heavy reliance on abortion as the primary method of birth control and on the increase in sexually transmitted infections (STIs).

For decades, women in Russia have had little choice in matters of reproductive health. In most of the world, as Julie DaVanzo and Clifford Grammich point out, "contraception was widely available or used before abortion was legally available."[115] In most of the world, contraceptives were legalized before abortion as the primary method of birth control. The reverse took place in Russia. Absent reliable contraceptive alternatives, abortion has been the routine form of birth control for the last 50 years. Women of childbearing age have on average three abortions during their lifetime, or 1.7

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[112] Eberstadt, "Russia's Demographic Straightjacket," 14-15.

[113] Ibid. While the overall birth rate has fallen in Russia, the proportion of out-of-lock newborns more than doubled between 1987 and 2001. Russia, unlike Europe, lacks a strong social welfare system to help young, single mothers raise their children.

[114] Eberstadt, "Russia, the Sick Man of Europe," 8. The rate of infertility among married couples of childbearing age in the United States was around 7 percent for 1995.

[115] Julie DaVanzo and Clifford Grammich, *Dire Demographics: Population Trends in the Russian Federation* (Santa Monica, CA: RAND, 2001): 28.

abortions for every live birth.[116] It is not uncommon for a woman to have more than 10 abortions during her childbearing years. Out of all women who have been pregnant in Russia, three out of four have had an abortion.[117] Many Russian doctors estimate that over 4 million abortions are performed each year, while officially the number is around 1.7 million.[118]

Russia's reliance on abortion has negatively impacted the health and size of the population. Besides the direct effect of abortion on population, the health cost is proving astronomical. Vladimir Serov, the chief gynecologist in the Health Ministry, points to complications from repeated abortions as the principal cause of infertility among women, with STIs coming in second.[119] Based on studies conducted during the 1990s, Julie DaVanzo and Clifford Grammich collected startling data tracking the effects of abortion on the reproductive health of Russian women. In their work for RAND, they noted that health complications resulted in two of every three abortions. These complications not only stressed the healthcare system further, they also often led to "high rates of secondary sterility."[120] It is estimated that one out of every ten abortions leads to secondary sterility. In light of the fact that Russian women have an average of three abortions during a lifetime, the probability of being rendered sterile is significant. During the 1990s, abortion triggered one in four maternal deaths; approximately 90 percent of those deaths were the outcome of illegal abortions.[121]

Sexually transmitted infections are the second leading cause of infertility among women in Russia. They affect men's health as well. As Murray Feshbach noted, "these diseases cripple and kill, damage reproductive health, and are associated with the spread

[116] LaFraniere, "Russians Feel Abortion's Complications: Used as Birth Control in Soviet Times, Practice Has Led to Widespread Infertility," A16.

[117] DaVanzo and Grammich, *Dire Demographics: Population Trends in the Russian Federation*, 25-26.

[118] Kim Murphy, "Russia Tackles Its High Abortion Rate," *Los Angeles Times* (19 September 2003): A1.

[119] Ibid.

[120] DaVanzo and Grammich, *Dire Demographics: Population Trends in the Russian Federation*, 26-28. Murray Feshbach estimated that "approximately 10 to 20 percent of [Russian] women become infertile after abortions." See Nicholas Eberstadt, "The Emptying of Russia," *The Washington Post*, 13 February 2004, A27.

[121] DaVanzo and Grammich , *Dire Demographics: Population Trends in the Russian Federation*, 26-28.

of HIV/AIDS. Feshbach attributes the explosive spread of STIs to increased promiscuity driven by greater access to pornography and a growing prostitution industry. Increased drug abuse involving shared needles and syringes has added an entirely new dimension to the problem.[122] The rate of curable and treatable STIs is extremely high in Russia compared to other industrialized countries. It is estimated that 15 percent of college students in St. Petersburg carry at least one STI. For example, "the incidence of syphilis in 2001 was one hundred times higher in Russia than in Germany."[123] In 1997, 450,000 new cases of syphilis were reported by the Ministry of Health.[124] According to the Federal State Statistics Service, the incidence of urogenital diseases has increased steadily from 37.6 per 1,000 of the population in 2000 to 45.7 per 1,000 of the population in 2004.[125]

2. Mortality Rates

Russia's mortality rates have risen steadily over the last 40 years, with considerable increases since 1987. Low birth rates are the leading cause of Russia's population decline, but when combined with current mortality rates the result is much more pronounced. Expressed in crude numbers the annual number of deaths in Russia has risen from an average of fewer than one million in the 1960s to over two million since 1993.[126] At the current mortality rate, Russia would have to achieve a fertility rate of somewhere between 2.15 and 2.33 to reach the population replacement level.[127] In 2005, deaths exceeded births by more than 846,000, a ration of 1.6 deaths for every one birth.[128]

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[122] Murray Feshbach, "Russia's Population Meltdown," *The Wilson Quarterly* 25, No. 1 (Winter 2005): 18-19. For a short review of Russia's mortality trends see Elizabeth Brainerd and David M. Cutler, "Autopsy on an Empire: Understanding Mortality in Russia and the Former Soviet Union," *Journal of Economic Perspectives*, Vol. 19, No. 1 (Winter 2005): 107-130.

[123] Eberstadt, "Russia, the Sick Man of Europe," 7-11.

[124] Feshbach, "Russia's Population Meltdown," 19.

[125] Federal State Statistics Service, at http://www.gks.ru/free_doc/2006/rus06e/09-03.htm, accessed on 19 January 2007.

[126] DaVanzo and Grammich, *Dire Demographics: Population Trends in the Russian Federation*, 37.

[127] Feshbach, "Russia's Population Meltdown," 18.

[128] Federal State Statistics Service, at http://www.gks.ru/free_doc/2006/Statob/01-01.htm, accessed on 19 January 2007.

Crude numbers of deaths make it difficult to compare health and mortality rates between populations because aging conditions and structures can vary significantly across societies. Demographers use statistics on life expectancy at birth to develop a clearer picture of mortality rates and the underlying health conditions of a society. For a given year, life expectancy at birth "is a statistical calculation based on the age-specific mortality rates of that year."[129] Life expectancy data, as a measurement of overall health within a society, corresponds strongly to economic performance. As mentioned above, each "additional year of male life expectancy at birth has been associated with an increment of GNP per capita of about 8 percent."[130]

In the mid-1960s, Russian life expectancy at birth was close to that in the United States for both men and women. Male life expectancy reached 64 years in 1965 before declining to 61.7 years by 1980. Male longevity, however, did experience a short rebound during Gorbachev's anti-alcohol campaign of 1984-1987. By 1987, Russian male life expectancy had reached its all time high of 64.9 years. Female life expectancy remained relatively static from 1970 until the collapse of the Soviet Union. Between 1970 and 1989, female life expectancy increased by just more than a year, from 73.4 to 74.5.[131]

Since the collapse of the Soviet Union, life expectancy at birth has fallen for both males and females in the Russian Federation. Between 1992 and 2004, male life expectancy fell from 61.9 to 58.9 years and female life expectancy fell from 73.7 to 72.3 years.[132] For 2003, life expectancies in the United States were 74.8 years for men and 80.1 years for women.[133] Russia's working age population has been especially hard hit by the "upsurge in death rates."[134] Female workers, between the ages of 20 and 59,

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[129] DaVanzo and Grammich, *Dire Demographics: Population Trends in the Russian Federation*, 38.

[130] Eberstadt, "Russia's Demographic Straightjacket," 20.

[131] Cockerham, Snead, and DeWaal, "Health Lifestyles in Russia and the Socialist Heritage," 42-43.

[132] Federal State Statistics Service, at http://www.gks.ru/free_doc/2006/rus06e/05-08.htm, accessed on 19 January 2007.

[133] Elizabeth Arias, "United States Life Tables," *National Vital Statistics Reports* Vol. 54, No. 14 (Department of Health and Human Services: 19 April 2006): 3.

[134] Eberstadt, "Russia, the Sick Man of Europe," 12.

suffered at least a 30 percent increase in the death rate between 1970 and 2001. Over the same period, males between the ages of 40 and 59 experienced an increased death rate that often reached 60 percent.[135]

Table 2. Life Expectancy at Birth in Russia, 1896-2004[136]

Year	Males	Females	Year	Males	Females	Year	Males	Females
1896	**30.9**	**33.0**	**1985**	**62.7**	**73.3**	**1998**	**61.8**	**72.8**
1926	**39.3**	**44.8**	**1987**	**64.9**	**74.3**	**1999**	**59.9**	**72.0**
1938	**40.4**	**46.7**	**1990**	**63.8**	**74.3**	**2000**	**59.0**	**72.3**
1958	**61.9**	**69.2**	**1992**	**62.0**	**73.8**	**2001**	**58.9**	**72.2**
1965	**64.0**	**72.1**	**1995**	**58.3**	**71.7**	**2002**	**58.7**	**71.9**
1970	**63.0**	**73.4**	**1996**	**59.8**	**72.5**	**2003**	**58.6**	**71.8**
1980	**61.4**	**73.0**	**1997**	**60.8**	**72.9**	**2004**	**58.9**	**72.3**

For demographers and health experts, the large gap between male and female life expectancies in Russia is a concern. The current gap of more than 13 years is among the largest in the world. According to the U.S. Census Bureau, only seven other nations in 2001 had gaps between the sexes that exceeded 10 years. Six of them were former Soviet republics.[137] The numbers point to a disproportionate failing of men's health. In Russia, the probability of a male child born today living to the age of 60 is only 55 percent. In the United States, the probability is 88 percent. Since 1972, life expectancy for Russian males has fallen by almost five years. In only four years, 1990-1994, "mortality increases among males aged 35-44, 45-54, and 55-64 were so great as to reduce overall life expectancy by more than a year."[138] Understanding the health

[135] Eberstadt, "Russia, the Sick Man of Europe," 12.

[136] Cockerham, Snead, and DeWaal, "Health Lifestyles in Russia and the Socialist Heritage," 43; and Federal State Statistics Service, "Life Expectancy at Birth," at http://www.gks.ru/free_doc/2006/rus06e/05-08.htm, accessed on 19 January 2007.

[137] DaVanzo and Grammich, *Dire Demographics: Population Trends in the Russian Federation*, 40-41.

[138] Ibid., 41.

issues that are pushing Russia's mortality rates ever higher is essential to comprehending the effect, or lack thereof, of government policy.

For the Russian male, the fluctuation in the mortality rate since 1984 is the consequence of changing health problems. As DaVanzo and Grammich point out, the Russian male has been on a rollercoaster since the 1980s. Throughout the 1980s, male life expectancy rose and fell in response to the short-lived anti-alcohol campaign. From 1992 to 1994, as the Soviet Union came apart and Russian's entered a period of uncertainty and hardship, "male life expectancy decreased by four and a half years, reaching its lowest level in four decades."[139] Between 1994 and 1998, male life expectancy increased by more than four years; by the end of 2004, however, it was down again by three years.[140]

Non-communicable diseases (NCDs) are now the primary cause of death within the Russian Federation as the society has undergone a shift in the "patterns of health and disease."[141] The study of epidemiology, which concerns itself with disease, death, and all contributing factors, has indicated that developing societies progress through a series of phases in what is termed the epidemiological transition. In terms of theory, the epidemiological transition attempts to explain "the complex change in patterns of health and disease [within a society] and on the interactions between these patterns and their demographic, economic and sociologic determinants and consequences."[142] As countries have progressed through the various stages of development, a strong, historical correlation has emerged between shifts in demographic and technological transitions, on one hand, and epidemiological trends, on the other. Primarily, the epidemiological transition is evident in terms of enduring changes "in mortality and disease patterns."[143]

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[139] DaVanzo and Grammich, *Dire Demographics: Population Trends in the Russian Federation*, 44.

[140] Cockerham, Snead, and DeWaal, "Health Lifestyles in Russia and the Socialist Heritage," 43 and Federal State Statistics Service, at http://www.gks.ru/free_doc/2006/rus06e/05-08.htm, accessed on 19 January 2007.

[141] Abdel R. Omran, "The Epidemiologic Transition: A Theory of the Epidemiology of Population Change," *The Milbank Memorial Fund Quarterly*, Vol. 49, No. 4, Part 1 (October 1979): 509.

[142] Ibid., 510.

[143] Ibid., 516.

As outlined by Abdel Omran, the epidemiological transition has three distinct phases. First, there is the "Age of Pestilence and Famine" in which high mortality rates suppress population growth; average life expectancy at birth remains between 20 and 40 years. Second, societies experience the "Age of Receding Pandemics." During this phase, death rates fall as pestilence, famine, and the spread of infectious diseases become less common. The rate of NCDs increases, while infectious diseases remain the leading cause of death. Average life expectancy at birth increases to between 30 and 50 years. Third, developed societies enter the "Age of Degenerative and Man-Made Disease." In this stage communities have developed the capabilities and mechanisms to deal with causes of early death, such as infectious diseases and famine. As a result, individuals live long enough to suffer physiological damage from a number of behavioral choices and environmental factors, which previously had not affected health or mortality due to low life expectancy.[144] Russia, and the Soviet Union at large, began to make the transition to degenerative and man-made diseases in the 1960s, as life expectancy at birth neared its peak and the rate of deaths caused by NCDs began to increase significantly.[145]

A number of leading causes of mortality are easily linked to behavioral choices. In particular, cardiovascular disease (CVD) and sudden cardiovascular failure, the leading cause of the increased mortality rates, are often directly attributable to individual behavior and lifestyle choices. Virtually all of the increase in women's mortality rates is attributable to CVD and related factors. Compared to the rest of the world, today's Russia may have the highest rates of CVD death rates than "ever suffered by any national population in all of human history."[146] The increase in CVD deaths caused "nearly half the decrease in life expectancy from 1992 to 1994."[147] Cardiovascular diseases,

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144 Omran, "The Epidemiologic Transition: A Theory of the Epidemiology of Population Change," 516-517 and 532.

145 Vladimir Shkolnikov and France Mesle, "The Russian Epidemiological Crisis as Mirrored by Mortality Trends," *Russia's Demographic 'Crisis'*, edited by Julie DaVanzo and Gwen Farnsworth (Santa Monica, CA: RAND, 1996), at http://www.rand.org/pubs/conf_proceedings/CF124/cf124.chap4.html, accessed on 1 November 2006.

146 Russia's level of CVD mortality was four times higher than Ireland's (with the highest reported in Western Europe), five times higher than Germany's, more than six times higher than Sweden's, almost seven times higher than Italy's, and eight times higher than the rate in France. See Eberstadt, "Russia's Demographic Straightjacket," 16-17.

147 DaVanzo and Grammich, *Dire Demographics: Population Trends in the Russian Federation*, 46.

by their nature, are closely tied to lifestyle and social behaviors "involving diet, exercise, smoking, and heavy drinking."[148]

Alcohol consumption in Russia seems to be a national pastime, deeply ingrained into the culture. According to a poll conducted by The Public Opinion Foundation Database, vodka is generally the drink of choice for roughly 36 percent of the drinking population, with 10 percent of them consuming at least a half liter of vodka weekly. The poll also states that two percent of the drinking population report consuming up to three liters of vodka per week.[149]

As Murray Feshbach states, the preponderance of vodka produced for domestic consumption "comes with a tear-off top rather than a replaceable cork or screw top because it's assumed that the bottle, once opened, will not be returned to the refrigerator."[150] Approximately 40 percent of the Russian population admits to consuming alcohol multiple times within a month, with another 32 percent admitting to imbibing several times a year.[151]

According to official statistics the per capita consumption of absolute alcohol among the drinking age population is around 30 quarts, or the equivalent of "some 75 half-liter bottles of 80-proof vodka" per person per year.[152] Feshbach estimates that 20 million Russians, or one-seventh of the population, qualify as alcoholics.[153] Compared to world and other national averages, per capital alcohol consumption in the Russian Federation are appreciably high.

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[148] William C. Cockerham, "The Social Determinants of the Decline of Life Expectancy in Russia and Eastern Europe: A Lifestyle Explanation," *Journal of Health and Social Behavior*, Vol. 38, No. 2 (June 1997): 125.

[149] The Public Opinion Foundation Database, "Alcohol Consumption: Monitoring" (9 November 2006), at http://bd.english.fom.ru/report/map/ed064405, accessed on 24 January 2007. For a short history of alcohol in Russia and the Soviet Union see Alexander Nemtsov, "Russia: Alcohol Yesterday and Today," *Addiction*, 100 (2005): 146-149.

[150] Feshbach, "Russia's Population Meltdown," 19.

[151] The Public Opinion Foundation Database, "Alcohol Consumption: Monitoring."

[152] David E. Powell, "Putin, Demography, Health, and the Environment," *Putin's Russia: Past Imperfect, Future Uncertain*, editor Dale R. Herspring (Lanham, MD: Rowman & Littlefield Publishers, Inc., 2005): 106.

[153] Feshbach, "Russia's Population Meltdown," 19.

Table 3. Alcohol Consumption Per Capita in Liters[154]

	Total	Unrecorded	Spirits
World	**5.1**	**NA**	**1.7**
Russian Federation	**10.58**	**4.9**	**7.64**
United States	**8.54**	**NA**	**NA**
Ukraine	**4.04**	**8.0**	**NA**

Alcohol consumption contributes to death both directly and indirectly. First, alcohol consumption can contribute to secondary health problems, such as CVD.[155] A study by the World Health Organization, conducted during 1993-1994, discovered that 20 percent of sudden deaths from cardiovascular failure involve significant levels of alcohol intoxication, "with blood alcohol concentrations of 3.5 g/l or higher found in the victim."[156] Approximately 10 to 30 percent were found with lower blood alcohol levels.[157] Second, alcohol consumption contributes to the mortality rate directly through alcohol poisoning and other diseases caused by alcohol abuse. As of 2000, the annual death toll from alcohol poisoning was estimated at 35,000 compared to only 300 in the United States.[158] The number of deaths per 100,000 caused by alcohol poisoning, in 1994, was around 37.4.[159] While long-term alcohol consumption contributes to the incidence of CVD, binge drinking, a prevalent aspect of Russian culture, also carries a heavy burden which leads to spikes in "sudden death from alcohol poisoning, accidents, and violence" during weekends and holidays.[160] One estimate puts the annual number of

[154] World Health Organization, *WHO Global Status Report on Alcohol 2004* (Geneva: 2004), at http://www.who.int./substance_abuse/publications/global_status_report_2004_overview.pdf, accessed on 16 February 2007. Beer, rather than spirits, is the primary beverage of alcohol consumption in the United States. Spirits are the alcoholic beverage of choice in Ukraine; however, the report does not indicate a specific per capita consumption for that country.

[155] Powell, "Putin, Demography, Health, and the Environment," 106-107.

[156] Peter Anderson, "Early death and alcohol," *World Health* 1, Iss. 5 (September-October 1998): 24.

[157] Ibid.

[158] Feshbach, "Russia's Population Meltdown," 19.

[159] DaVanzo and Grammich, *Dire Demographics: Population Trends in the Russian Federation*, 46.

[160] Ibid., 47.

deaths attributable to alcohol consumption between 500,000 and 700,000, making alcohol "responsible for 30 percent of all deaths."[161]

Smoking has contributed to the CVD mortality, as well. It is estimated that "smoking shortens life expectancy by 6.7 years for men and 5.3 years for women."[162] A recent poll indicates that 40 percent of Russian adults are tobacco smokers. In terms of gender, however, the poll indicates that 66 percent of men smoke compared to 17 percent of women.[163] According to the World Health Organization, around "14 percent of all deaths in 1990 in the Soviet Union and Eastern Europe were traceable to smoking-related illnesses; they expect that number to rise to 22 percent by 2020."[164] Rising CVD deaths, furthermore, have been linked to the increased stress levels caused by the uncertainty and disorder following the collapse of the Soviet Union. The turbulence of the early 1990s also led to a twenty-fold increase in poverty levels, which likely increased the stress and the ability of the Russian population to maintain their health.[165]

Dietary intake in the Russian Federation, typically "high in animal fat and salt, and low in fruits and vegetables," also has contributed considerably to the rise of CVD and other serious health problems.[166] Beginning in Soviet times, food choice was limited. While nutritionally sufficient, the normal Soviet diet "was unbalanced by an excess of carbohydrates and fatty meats, shortages in fresh fruits and vegetables in winter months and a lack of variety."[167] Today, despite opportunities to eat healthier, many Russians continue to consume unbalanced diets. Estimates indicate that as

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[161] Powell, "Putin, Demography, Health, and the Environment," 107. A recent World Bank report stated that: "In terms of morbidity, the prevalence of mental disorders in heavy users is twice as high as in the general population, and morbidity with temporal disability is 1.5 times higher among alcohol abusers than among moderate drinkers." See the World Bank, *Dying Too Young*, 37.

[162] The World Bank, *Dying Too Young*, 37.

[163] The Public Opinion Foundation Database, "How Many Russians Smoke" (17 June 2004), at http://bd.english.fom.ru/report/problem_soc/health/smoking.eof042307, accessed on 24 January 2007.

[164] Feshbach, "Russia's Population Meltdown," 19.

[165] DaVanzo and Grammich, *Dire Demographics: Population Trends in the Russian Federation*, 46.

[166] The World Bank, *Dying Too Young*, 38.

[167] Cockerham, "The Social Determinants of the Decline of Life Expectancy in Russia and Eastern Europe: A Lifestyle Explanation," 125.

much as 28 percent of the increase in CVD mortality in Russia may be attributable to lower consumption of fruits and vegetables.[168]

The lack of micronutrients, especially iodine, is a serious concern. Iodized salt has not been produced in Russia and little has been imported since 1991. Iodine deficiencies can cause mental retardation in young children and other health issues for adults. Russians also are faced with a shortage of "folic acid as well as vitamins A, B complex, D, and E among 30 percent of the population."[169] At the same time, increased salt intake (non-iodized) has contributed to high blood pressure among significant portions of the population, contributing to the start of CVDs among those affected. High blood pressure, or hypertension, affects between 34 and 46 percent of Russia's adult population. Type 2 Diabetes, which is generally attributed to what might be termed unhealthy lifestyle choices, is becoming increasingly prevalent throughout the Russian population. As of 2004, the World Health Organization (WHO) ranked Russia among the top 10 of countries negatively impacted by diabetes, with a prevalence rate of more than 3 percent (compared to the world average of 2.5 percent).[170]

Experts also point to other contributors to the increased mortality rate, such as an increase in violence and the lingering threat of environmental damage. The level of violent deaths in Russia, a society largely at peace, is strikingly high. Nicholas Eberstadt highlights this growing problem:

> For men under 65 years of age, Russia's death rate from injury and poisoning is currently over four times as high as Finland's, the nation with the worst rate in the EU. Russia's violent death rate for men under 65 is nearly six times as high as Belgium's, over nine times as high as Israel's, and over a dozen times that of the United Kingdom. As is well known, men are more likely than women to die violent deaths—but in a gruesome crossover, these death rates for Russian women are now higher than for most western European men.[171]

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[168] The World Bank, *Dying Too Young*, 38-39. The report also states that: "The WHO estimates that about a third of all CVDs are due to poor diets and that better diets could lower cancer cases by about 30-40 percent."

[169] Feshbach, "Russia's Population Meltdown," 19.

[170] The World Bank, *Dying Too Young*, 38-41.

[171] Eberstadt, "Russia, the Sick Man of Europe," 12-13.

Environmental factors likely have contributed to the rise in mortality. Russian industry, on average releases "toxic metals such as arsenic and lead into the air…several hundred, and sometimes several thousand, times that of industry" in the European Union. Also, Russia's rivers and waterways, the primary source of drinking water for most of the population, have become polluted by high concentrations of phenols and petroleum products; levels have often "exceeded ambient water quality standards by a factor of two to ten times."[172] The drinking water available to about half of the population falls "below microbiologic and chemical standards for public health."[173] Cancer rates, generally linked to the level of carcinogens and pollutants in the environment, have risen some since 1990. Despite concerns over environmental factors, they have not seemed to play as large a role as expected. The collapse of many industries in the 1990s actually led to some environmental improvements in air and water quality, a time when death rates increased the fastest.[174] The long-term costs of Russia's environmental degradation, however, remain unclear.

C. RESURGENCE OF INFECTIOUS DISEASE: THE NEW AND THE OLD

While the Russian population has experienced a surge in NCDs over the past three or four decades as part of the epidemiological transition, it now appears that the transition, at least to some degree, is shifting directions.[175] This is illustrated by the recent increase in the prevalence of infectious diseases, both old and new. Tuberculosis (TB) and Hepatitis B and C, once considered under control and treatable, have made an unquestionable and deadly return. At the same time, the spread of HIV/AIDS throughout the Russian population is significant enough to potentially "cancel any prospective health progress in Russia over the coming generation."[176] Generally, the spread of these emerging infectious diseases has been limited to a high-risk segment of the population. The high-risk group consists of Russia's prison population, the poor and homeless, drug

[172] DaVanzo and Grammich, *Dire Demographics: Population Trends in the Russian Federation*, 57-58.

[173] Ibid.

[174] Ibid.

[175] M.H. Wahdan writes of this occurrence in "The Epidemiological Transition," *Eastern Mediterranean Health Journal*, Vol. 2, Iss. 1 (1996): 8-20; at http://www.emro.who.int/Publications/EMHJ/0201/02.htm, accessed on 1 November 2006.

[176] Eberstadt, "Russia, the Sick Man of Europe," 15.

addicts, alcoholics, and sex workers; in other words, those who live in unhealthy conditions or choose to participate in unhealthy behaviors. Recent trends, however, indicate that these diseases increasingly are being transmitted from the high-risk groups to "bridging groups," typically through sexual intercourse."[177] The "bridging groups" then spread it through intimate contact, often sexual, to the general population.[178] These diseases are particularly damaging because they have the potential to hit the working age cohort of the population the hardest.

Tuberculosis infection most often occurs through "inhalation of droplet nuclei of the bronchial aerosol that contains mycobacterium discharged by" someone already infected.[179] Tuberculosis requires a set of conditions in order to become endemic, such as weakened immune systems and damp, crowded living and working conditions; circumstances common to the high-risk segment of society. Each year over 30,000 Russians die from tuberculosis.[180] The annual death toll from TB is 30 times greater than in the United States when measured as deaths per 100,000. In 2001, the death rate in Russia from TB was 25.5 per 100 cases, up from 7.7 in 1985. Mortality from TB has increased as drug-resistant strains of the disease have multiplied. The scourge of TB, however, is particularly unsettling because, in most cases, it is treatable and should not result in death. [181]

Hepatitis B and C are also on the rise. The virus, like HIV/AIDS is passed on through shared injection equipment and sexual transmission. It is estimated that over 40 percent of hepatitis cases are transmitted sexually, increasing the threat of exposure to the general population. As of 1999, there were 43.3 cases of hepatitis B per 100,000 and 19.31 per 100,000 of hepatitis C. Both types have increased dramatically in prevalence since the 1990s. Hepatitis is frequently fatal for those who contract it in Russia.

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[177] John M. Kramer, *Drug Abuse and HIV/AIDS in Russia*, Paper presented at the VII World Congress of the International Council for Central and East European Studies (ICCEES), Berlin, Germany, July 25-30, 2005, 11.

[178] Ibid.

[179] UN, *Millennium Development Goals Report: Kazakhstan, 2005*, 90, at http://www.un.org/millenniumgoals, accessed on 3 December 2006.

[180] OxResearch, "Russia: Healthcare needs real reform not 'targets,'" 29 December 2005, 1.

[181] Feshbach, "Russia's Population Meltdown," 17.

Treatments are generally expensive and often unavailable. A few years ago there were only 1.3 million doses of vaccine "produced annually to meet a total demand of 13 to 14 million doses."[182]

In 2005, the Russian Federation reported more than 313,000 official cases of HIV positive individuals. Actual numbers, however, likely are much higher. Reporting problems and strict laws against drug use prevent many carriers of HIV from being tested or registering with the government. Experts put the actual number of cases of HIV/AIDS between 1,000,000 and 1,500,000.[183] The disease, while still largely contained within the high-risk segment of the population, is making the transition into the general population via the "bridging groups" which includes released prisoners, "sexual partners of drug users, females having sex with bisexual males, and clients of sex workers."[184] Indications that HIV/AIDS is beginning to make the transition into the general population include the rate of transmission through heterosexual sex and the prevalence of the infection among women. From 2000 to 2004 the number of newly registered HIV cases resulting from heterosexual transmission increased from 3 percent to 25 percent. From 2001 to 2004 the prevalence of HIV among registered females rose from 20 percent to 38 percent.[185] If HIV/AIDS is allowed to spread, unchecked, into the general population, Russia's recent economic gains will be nullified and the current demographic crisis will worsen. Some estimates indicate that, if allowed to follow present trends, Russia's developing HIV/AIDS epidemic could reduce "GDP by 5 percent over the next 20 years."[186]

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[182] Feshbach, "Russia's Population Meltdown," 19. It is important to note that currently there is no vaccine for hepatitis C.

[183] Kramer, *Drug Abuse and HIV/AIDS in Russia*, 8-11.

[184] UNDP, *Human Development Report 2005 Russian Federation, Russia in 2015: Development Goals and Policy Priorities* (2005), 95; http://www.undp.ru/index.phtml?iso=RU&lid=1&cmd=publications1&id=48, accessed on 16 February 2007. The Report also states that: "According to the classification of UNAIDS and WHO, Russia is now in the phase of concentrated epidemic, i.e., when HIV prevalence is more than 5% in at least one population group (IDU in the Russian case), but is less than 1% among urban pregnant women." See same.

[185] Ibid.

[186] Sarah A. Grisin and Celeste A. Wallander, *Russia's HIV/AIDS Crisis: Confronting the Present and Facing the Future* (Washington D.C.: Center for Strategic and International Studies, 2002): 12.

Injecting drug users (IDUs) have increased radically in number in Russia since the Soviet war in Afghanistan. Viktor Cherkesov, Chairman of the Federal Service to Control the Trade in Narcotics and Psychotropic Substances has suggested that 4,000,000 people in Russia are drug users. Other estimates put the overall number closer to 6,500,000, with 1,800,000 considered drug dependent. The effects have been devastating. Over 70,000 deaths a year in Russia are attributed to drug overdose and fatal reactions. The larger problem, however, stems from the repeated sharing of injection equipment, which provides a steady path of transmission for a number of deadly, infectious diseases. Drug use, and the spread of infections, is also closely linked to prostitution. It is significant that some estimates indicate "that one third of all drug users in Russia fund their habit primarily through prostitution," increasing the risk of transmission within the high-risk group (IDUs) and into the general population through customers of sex workers.[187] Based on current estimates, "between 1.01 percent and 2.04 percent of the entire population of Russia is at an elevated risk of contracting the AIDS virus solely through high risk drug-related behavior."[188]

Prisons across Russia also provide a breeding ground for the spread of these diseases. High-risk drug use (sharing of equipment) and sexual behavior (unprotected sex between men) are common, each contributing the spread of HIV/AIDS, TB and hepatitis B and C. The Health Ministry stated that "one-third of prisoners suffer from mental conditions, 26,000 have syphilis, 1,500 have hepatitis, and 74,000 have tuberculosis."[189] The Ministry also indicated that 36,000 prisoners have HIV and nearly all of them regularly use narcotics.[190] As over 300,000 former prisoners are released back into society annually, the risk of these infections spreading to the general population is significant.[191]

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187 Kramer, *Drug Abuse and HIV/AIDS in Russia*, 12. Kramer states that of Moscow's 70,000 plus prostitutes, 40 percent are IDUs and 15 percent have tested positive for HIV.

188 Ibid., 1-8.

189 Ben Aris, "Russia's Health Crisis Fuels 20-year Cut in Lifespan Estimates," *The Lancet* 362, Iss. 9395 (8 November 2003): 1557.

190 Ibid.

191 Kramer, *Drug Abuse and HIV/AIDS in Russia*, 1-13. It is important to remember that these official statistics most likely are low compared to real cases.

D. REPERCUSSIONS OF A LIMITED HEALTHCARE SYSTEM

The current healthcare system in Russia is unable to meet the medical needs of large portions of the population, effectively allowing the nation's health capital to ebb away. Significant numbers of deaths each year in Russia are avoidable with proper medical care.[192] Additionally, Russia's healthcare system is not organized to deal with the major health issues facing the country. Russia inherited a healthcare system beset by structural deficiencies and unprepared to deal with the country's epidemiological transition. The current system is forced to operate with outdated and broken equipment, employing ineffective medical practices long discarded by the West.[193]

Access to effective healthcare, today, in the Russian Federation is limited to those who can afford new privatized medical facilities or to those with enough money or resources to bribe state doctors and hospitals. The vast majority of Russians continue to rely on the ineffective state healthcare system. They are forced to wait long periods of time for substandard care.[194] The healthcare system has failed to address the medical needs of the population despite an increase of over 31,000 medical doctors between 1992 and 2004, and an increase of 5.5 doctors per 10,000 of the population.[195] Overwhelmed by the onslaught of CVDs and other NCDs, the healthcare system is no longer able to contain the spread of infectious diseases.

E. CONCLUSION

Health capital in Russia is in steep decline. At present, there is no evidence that current trends will slow or be reversed in the near future. The economic costs of declining health capital have the potential to destabilize the country and the region.[196] It will become more difficult to change these trends the longer they persist. The institutional, political, and cultural causes of declining health capital will only become more ingrained. Both the Soviet and Russian governments proved incapable or unwilling

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[192] Shkolnikov, "The Russian Epidemiological Crisis as Mirrored by Mortality Trends," 32-33.

[193] Rozenfeld, "The Crisis of Russian Health Care and Attempts at Reform," 3. See also Tragakes and Lessof, *Health Care Systems in Transition: Russian Federation, 2003,* 9.

[194] Tragakes and Lessof, *Health Care Systems in Transition: Russian Federation, 2003,* 169-193.

[195] Federal State Statistics Service, "Main Indicators of Public Health," at http://www.gks.ru/free_doc/2006/rus06e/09-01.htm, accessed on 16 February 2007.

[196] The World Bank, *Dying Too Young*, 49-64.

to formulate and execute effective policies aimed at improving the country's health capital. The next chapter will detail a number of failed policies attempted by the Soviet and Russian governments.

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IV. POLICY AND HEALTH CAPITAL

Among developed nations, the majority of governments play an active and influential role in the formation and implementation of health policy. While the degree of involvement varies, most governments are involved in a few key areas, such as, regulations and standards, research and development, and disease control. Within these areas alone, government policy has the potential to affect directly the level of health capital within a nation. Effective and attainable standards, set and enforced by the government, can guarantee a high quality of care for the population. Sufficient government funding for research and disease control can insure the development of future capabilities and the protection of public health from dangerous epidemics. In essence, effective government policy can improve the overall level of health capital. On the other hand, poor policy and/or poor implementation of policy can negatively impact health capital.

Government health policy, in the case of Russia, is germane to the continuing decline in health capital. Throughout the developed world, political debates rage over the desired extent of government involvement in health care. It is common among the developed nations for the private sector to play a significant, if not primary role, in health. Within the Russian Federation, as was the case in the Soviet Union, public health is the primary responsibility of the government. As stated in Article 41 of the Constitution of the Russian Federation:

> Everyone shall have the right to health protection and medical care. Medical care in State and municipal health institutions shall be rendered to citizens free of charge at the expense of the appropriate budget, insurance premiums and other proceeds.
>
> In the Russian Federation federal programmes for the protection and improvement of the public health shall be financed, measures shall be taken to develop State, municipal and private healthcare systems…[197]

Health capital in Russia is in serious decline. Trends do not indicate any imminent or meaningful reversals in the current crisis. It appears, therefore, that the

[197] The Constitution of the Russian Federation, at http://www.kremlin.ru/eng/articles/ConstEng2.shtml, accessed on 27 February 2007.

policies and programs of the Russian Federation have failed to "protect" or "improve" public health. This chapter will review specific government policies affecting the healthcare system and population change. Due to the continuity between policies of the Soviet and Russian governments, both periods will be explored.

A. HEALTHCARE

Health capital is affected by the ability of the existing healthcare system to preserve health. In and of itself, the quality and availability of healthcare is not a measurement of health capital, but of the ability to protect health capital. In Russia, healthcare is the primary interface between the government and public health. Since before Soviet times, the government has been provider and guarantor of healthcare to the Russian people. Simply put, Russian healthcare is the product of government policy. Generally, government's greatest impact on public health is through healthcare policy. A close look at the functioning of healthcare, therefore, can provide an excellent window into the affect of government policy on health capital.

1. Soviet Healthcare Policies: Lasting Precedents

The current system of healthcare in Russia is the product of decades of Soviet policy. It is, therefore, important to understand Soviet policy decisions that continue to affect healthcare in Russia today. The constitutional guarantees of healthcare included in the present Constitution of the Russian Federation are reiterations of earlier guarantees offered in the 1936 and 1977 Constitutions of the Soviet Union.[198] Under the model developed by Nikolai Semashko, Soviet healthcare fell completely under the direction and funding of the state. The Semashko Model was based on the concepts of "government responsibility for health, universal access to free services [and] a preventative approach to 'social diseases.'"[199] The result was a centralized health system intended to provide universal and free healthcare. As Boris Rozenfeld

198 See 1936 Constitution of the USSR at http://www.departments.bucknell.edu/russian/const/36cons02.html#chap05, accessed on 27 February 2007; see also the 1977 Constitution of the USSR at http://www.oefre.unibe.ch/law/icl/r100000_.html, accessed on 27 February 2007.

199 Tragakes and Lessof, *Health Care Systems in Transition: Russian Federation, 2003,* 22-23. See also Field, "Medical Care in the Soviet Union: Promises and Realities," 65-82.

points out, the ultimate consequence was a healthcare system "fully dependent on the state and its governing bodies."[200]

To begin with, the Soviet guarantee of total health coverage put an enormous responsibility on a government healthcare system limited by resource and structural deficiencies. The benefits package legally required from the state was very extensive. As the Soviet governments failed to adequately fund a healthcare system capable of providing the promised benefits, two consequences emerged. First, medical care effectively was rationed. Hospitals, doctors, and health officials were forced to rely on unofficial wait lists and bribes to ration the provision of medical care to the population.[201] Second, complete reliance on the government for healthcare removed any safety net in the case of failed policies. The population lacked any incentive to assume responsibility for public health when the government was legally required to provide all necessary care free of charge. The problem is that when the state failed to provide adequate care, no one stepped in to fill the void.

Next, the Soviet healthcare system was organized to increase the life expectancy of the Russian population by eradicating infectious diseases. The result was a system of mass public screenings, hospitals with large bed capacities, and an inordinate number of doctors relative to the population. In order to prevent the spread of infectious diseases, infected patients discovered during screenings were hospitalized for extended stays. Little attention was given to education and more cost effective methods of prevention. As a consequence, the Soviet healthcare system was unprepared for the epidemiological transition from infectious diseases to non-communicable diseases (NCDs). Since NCDs are largely the result of behavioral choices and environmental factors, hospitalization and medicinal care cannot prevent new cases.

The Soviet government, despite an awareness of the new emerging epidemiological reality, refused to adjust healthcare policy accordingly. Rather than implement effective reforms, which likely would have required additional funding, the

[200] Rozenfeld, "The Crisis of Russian Health Care and Attempts at Reform," 1.

[201] Tragakes and Lessof, *Health Care Systems in Transition: Russian Federation, 2003,* 96.

government "chose to suppress data and to create yet more beds."[202] Health and government officials emphasized "quantitative measures and indices," (i.e., number of hospital beds and doctors), over qualitative measurements of health, (i.e., mortality rates, disease prevalence, and life expectancy).[203] The continuation of the status quo seriously undermined the capability of the healthcare system to help the population with the rise in NCDs, effectively boosting the mortality rate over the long-term.

Today, the Russian healthcare system continues to suffer from Soviet healthcare policies. Doctors and patients continue to operate in a system dominated by rationing and bribery. Medical care remains the responsibility of the state, with little motivation for the population to take steps to insure their needs are provided. Surprisingly little has changed.

A strong focus remains both on medicinal solutions to NCDs and on quantitative measurements of government health service. As Ellie Tragakes and Suszy Lessof write in their review of Russia's healthcare system:

> The consequences of the Soviet preoccupations can still be seen in the post-Soviet health system. The facilities for rehabilitation remain, as does a marked over-provision of beds. The tendency to carry out mass screening has also persisted with little thought as to how any detected needs will be met.[204]

A quick look at the data provided by Russia's Federal State Statistics Service provides evidence of the continued importance of quantitative measures. The report titled "Main Indicators of Public Health" provides data on the overall number of physicians and hospital beds, both in absolute terms and relative to the population. Between 1992 and 2004 the total number of doctors in the Russian Federation has risen by 51,000, or from 42.9 doctors per 100,000 of the population in 1992 to 48.4 doctors per 100,000 in 2004.[205] Over the same period, average male life expectancy at birth fell from 62 to 58.9 years and the Russian population fell by nearly 4 percent.

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[202] Tragakes and Lessof, *Health Care Systems in Transition: Russian Federation, 2003,* 24.

[203] Rozenfeld, "The Crisis of Russian Health Care and Attempts at Reform," 1.

[204] Tragakes and Lessof, *Health Care Systems in Transition: Russian Federation, 2003,* 24-25.

[205] Federal State Statistics Service, "Main Indicators of Public Health," at http://www.gks.ru/free_doc/2006/rus06e/09-01.htm, accessed on 28 February 2007.

Along with the institutional inertia of Russia's inherited healthcare system, Soviet attitudes and policies toward the medical profession continue to affect the overall quality of healthcare today. Within the Soviet system, doctors and nurses were considered "part of the non-productive sector of society and consequently disfavored [in] their pay and conditions."[206] Throughout the latter part of the Soviet period, doctors earned between 75 and 90 percent of the average wage of an industrial worker, just slightly more than nurses.[207] As late as 2003, a primary care physician at public hospital in Russia earned approximately $50 per month. As in Soviet times, salaries for those in the medical profession are set by bureaucrats in the Ministry of Health.[208]

One consequence of such low salaries is a lack of incentive for doctors and nurses to perform well or to find innovative ways to take care of patients. Doctors, demoralized by low pay, are prone to limit their level of commitment to work and see as few patients as possible. Also, low salaries that are capped by law make it difficult for management to control doctors through financial incentives or punishments.[209] Another consequence of low wages, combined with limited and outdated equipment, is the proliferation of under-the-table payments for medical care and supplies. It is estimated that in 2002 approximately $600 million, or 7-10 percent of all health expenditures, was paid in bribes to doctors and health officials for medical care. As mentioned, this often leaves the poorer segment of the population, de facto, without healthcare.[210]

Finally, the state imposed isolation of the Soviet Union not only cut off the country from political ideas and innovations, but also from valuable technologies and research in the medical field. Doctors and hospitals in the Soviet Union were forced to employ "ineffective treatments that had either never been adopted or had long been abandoned in the West."[211] As a result mortality rates for many ailments, curable and

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206 Tragakes and Lessof, *Health Care Systems in Transition: Russian Federation, 2003,* 25.

207 Ibid., 113 and 167.

208 Ibid., 167.

209 Ibid., 167.

210 Ibid., 104-105. See also Jeanne Whalen, "Russia's Health Care is Crumbling; Dire Lack of Funds Creates Sick, Dwindling Populace and 'National Emergency,'" *Wall Street Journal* (13 February 2004): A9.

211 Tragakes and Lessof, *Health Care Systems in Transition: Russian Federation, 2003,* 9.

treatable in the West, remained high in the Soviet Union. Today, Russia continues to suffer from outdated equipment, practices, and training. Limited resources and bureaucratic inertia continue to prevent the Russian healthcare system from making significant, life-saving and life-enhancing improvements.

2. Russian Healthcare: Failed Attempts at Reform

Since the collapse of Communism in 1991, the government of the Russian Federation has made numerous attempts to reform the national healthcare system. Within the first decade of its existence, the government of the Russian Federation had printed more than 98 laws, decrees, orders, decisions and concepts regarding public health.[212] For the most part, these policies have failed to achieve the desired results. The major cause has been, and continues to be, inadequate funding. As indicated in the Table 4 and Table 5, government funding did not increase substantially throughout the 1990s and Russia continues to lag behind other developed nations in terms of health care funding and spending. For the purposes of this research, two specific policy concepts will be explored: the attempt by the government to introduce a new method of healthcare financing through insurance programs and the decentralization of healthcare.

As Russia entered the new era of in the 1990s, the government funded healthcare system was unprepared to participate in a market economy. The ability of the government to fund healthcare at levels required to maintain even the Soviet standard of care "became untenable" as the tax base collapsed amid economic chaos.[213] The reduction in funding not only slowed the growth and development of the healthcare system, in some cases it also reversed previous progress.[214] In 1991, health insurance legislation was introduced to augment the government's anemic funding of healthcare. The goal behind the insurance legislation was "to provide new sources of non-budget financing" while continuing "to provide universal access and comprehensive coverage for the population."[215] Funding for the insurance was to be paid in part by employers and local governments.

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[212] Tragakes and Lessof, *Health Care Systems in Transition: Russian Federation, 2003*, 171-187.

[213] Ibid., 169.

[214] Rozenfeld, "The Crisis of Russian Health Care and Attempts at Reform," 3-5.

[215] Tragakes and Lessof, *Health Care Systems in Transition: Russian Federation, 2003*, 71.

To date, with the exception of success in a few geographic areas, insurance reform has not significantly increased the availability and quality of healthcare services. One reason for its very limited success is that insurance, by and large, has not increased the overall funding available for healthcare. While the plan called for government funding to remain constant, local governments cut their expenditures in expectation of insurance payments. Also, a considerable number of Russia's regions have not even begun to implement insurance reforms. Ambiguity in the legislation has contributed to disparate interpretations of the responsibilities of the various parties. The overriding result is that no one person or institution in the national or regional governments has accepted responsibility for making the insurance program work.[216]

Another important factor contributing to the ineffectiveness of the insurance legislation has been opposition from the bureaucracy. Largely opposed by the Ministries of Health and Finance, the entire insurance program has suffered as a result of bureaucratic infighting and malfeasance on the part of national and local officials. For example, in a number of regions "local authorities raided the insurance funds and used the illegally acquired money to finance non-health related products such as housing and construction."[217] While bureaucratic opposition has lessened since the late 1990s, a number of hazardous precedents were set and successful implementation of the program has been delayed. Healthcare continues to be under-funded.

Table 4. Trends in Healthcare Expenditure in the Russian Federation, 1994-2002[218]

Total Expenditure on Health Care	**1994**	**1995**	**1996**	**1997**	**1998**	**1999**	**2002**
Annual Healthcare Expenditures, US$ PPP, billion	**29.2**	**23.8**	**24.5**	**29.2**	**26.2**	**27.2**	**NA**
Share of GDP (%)	**4.4**	**4.0**	**4.1**	**5.1**	**4.6**	**4.6**	**5.6**
Public as share of total expenditure on health care (%)	**88.9**	**81.7**	**79.2**	**75.3**	**67.7**	**65.5**	**59.0**

In terms of per capita spending on healthcare, Russia lags behind several other developed nations but is ahead of some neighboring countries.

216 Tragakes and Lessof, *Health Care Systems in Transition: Russian Federation, 2003,* 78-79.

217 Ibid., 85.

218 Ibid., 109. See also World Bank Development Databank, at http://devdata.worldbank.org/, accessed on 15 February 2007

Table 5. Healthcare Expenditure and Health Indicators Comparison, 2002-2003[219]

Country	Public Expenditures (% of GDP, 2002)	Private Expenditures (% of GDP, 2002)	Total Per Capita Expenditures on Healthcare (PPP US$, 2002)	Life Expectancy at Birth (2003)	Infant Mortality Rate per 1,000 (2003)
Russian Federation	**3.5**	**2.7**	**535**	**65**	**17**
United States	**6.6**	**8.0**	**5,274**	**77**	**7**
Germany	**8.6**	**2.3**	**2,817**	**79**	**4**
Poland	**4.4**	**1.7**	**657**	**75**	**7**
China	**2.0**	**3.8**	**261**	**71**	**26**
Ukraine	**3.3**	**1.4**	**210**	**68**	**14**
Kazakhstan	**1.9**	**1.6**	**261**	**65**	**63**

Decentralization has been another key feature of healthcare policy reform in the Russian Federation since the early 1990s. This concept is particularly confusing as many scholars disagree on the nature of Soviet and Russian healthcare. Most agree that the institutional organization of healthcare in Russia today has a negative impact on the quality and availability of services provided. Eduardo Gomez, based on his historical analysis, argues that the Russian population always has suffered from the effects of a decentralized healthcare system.[220] On the other hand, Celeste Wallander, claims that Russia's present healthcare system, like its Soviet predecessor, is too centralized and, therefore, is subject to "duplication and compartmentalization of policy and government services."[221] Ellie Tragakes and Suszy Lessof, in their work for the European Observatory on Health Systems and Policies, however, point to a significant decentralization of the healthcare system since the collapse of the Soviet Union.[222] Centralized control of the healthcare system, however, was agreed upon during the Fifth All-Russian Congress of Soviets in 1918.[223] Whatever the level of centralization during

[219] UNDP, *Human Development Report 2005*, at http://hdr.undp.org, accessed on 10 February 2007; and World Bank Development Databank, at http://devdata.worldbank.org/, accessed on 15 February 2007.

[220] Gomez, "The Politics of Government Response to HIV/AIDS in Russia and Brazil," 7-8.

[221] Wallander, "The Politics of Russian AIDS Policy," 141-142.

[222] Tragakes and Lessof, *Health Care Systems in Transition: Russian Federation, 2003,* 59-62.

[223] Cockerham, "The Social Determinants of the Decline of Life Expectancy in Russia and Eastern Europe: A Lifestyle Explanation," 120-121.

the Soviet era, Russia's current healthcare system is significantly decentralized and exhibits a number of negative consequences as a result.

Decentralization has shifted primary responsibility for the provision of healthcare to the regions and municipalities, allowing the national government to avoid blame for any resulting shortcomings. Absent extensive financial assistance from the national government, regional institutions are forced to fund healthcare out of their local budgets. This has increased inequalities in the availability and quality of healthcare between the regions due to geographically diverse economic performance. As the regions have assumed control of healthcare, the Ministry of Health has necessarily lost a hefty portion of its authority to set and implement national health policy. Also, the ability to enforce national regulations and standards is seriously diminished.

The lack of an effective central authority has contributed to ineffective planning and poor use of limited capital and resources. It has become common for the regions, absent vertical direction or horizontal cooperation with neighboring regions, to create completely independent and "sovereign" healthcare institutions.[224] As a result, the supply of medical care is often created by local officials outside of market considerations for demand. Many expensive services are duplicated in close geographic proximity simply because local officials are unwilling to work with one another or with the national government in terms of planning. Resources are wasted and serious medical needs go unfulfilled.[225]

B. DEMOGRAPHICS: POLICIES AND CONSEQUENCES

President Vladimir Putin stated the following in his May 2006 annual address to the Federal Assembly:

> You know that our country's population is declining by an average of almost 700,000 people a year. We have raised the issue on many occasions but have for the most part done very little to address it. Resolving this problem requires us to take the following steps. First, we

[224] Tragakes and Lessof, *Health Care Systems in Transition: Russian Federation, 2003,* 82-83.

[225] Ibid.

> need to lower the death rate. Second, we need an effective migration policy. And third, we need to increase the birth rate.[226]

Government policy is capable of affecting the various measures of health capital directly. This section will examine both Soviet and Russian efforts to bolster the national population. First, policies aimed at increasing the birthrate will be explored. Second, it will look at the effect of government alcohol policies on mortality. Third, it will scrutinize the special case of government efforts to deal with Russia's emerging HIV/AIDS epidemic.

1. Fertility Rate: Pronatalist Policies and Contraception

Current efforts by the Russian government to encourage higher birthrates are not unique. Similar policies have been pursued by the Soviet Union and other governments in the past. Population size has been linked to the ideas of national greatness and power. In the twentieth century, a large population was perceived as a prerequisite of industrialization and modernization.[227] For the Soviet Union, and Stalin in particular, industrialization was the ultimate state objective. Increasing the size and health of the population, therefore, became imperative. In terms of Soviet ideology, low birthrates "were not typical of socialism."[228]

The Soviet Union, like its West European counterparts, openly pursued pronatalist policies, using both material benefits and official recognition as incentives to encourage women to have more children. Shortly after coming to power, the Communist Party formalized its pronatalist policies by establishing a Department of Maternal and Infant Welfare. This new department, in order to encourage women to have children, "created a large number of maternity homes, nurseries, milk kitchens, and pediatric clinics."[229] Potential mothers were also offered cash bonuses for having more than six children.

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[226] President Vladimir Putin, *Annual Address to the Federal Assembly* (10 May 2006), at http://www.kremlin.ru/eng/text/speeches/, accessed on 17 February 2007.

[227] David L. Hoffman, "Mothers in the Motherland: Stalinist Pronatalism in its Pan-European Context," *Journal of Social History*, 34.1 (2000): 34-38. See also Nicholas Eberstadt, "Demography and International Relations," *The Washington Quarterly*, 21:2 (Spring 1998): 33-52.

[228] DaVanzo and Grammich, *Dire Demographics: Population Trends in the Russian Federation*, 28.

[229] Hoffman, "Mothers in the Motherland: Stalinist Pronatalism in its Pan-European Context," 40.

Under Stalin, women with seven or more children received the praise of the Soviet Union and were presented with Medals of Maternal Glory.[230]

Repressive measures were also employed by the Soviet government to push the birthrate higher. Laws were enacted to encourage marriage and limit opportunities for divorce. Perhaps the greatest attempt to force the population to cooperate with state objectives occurred in the sphere of contraception. The Soviet desire for a large workforce to fuel industrialization and the traditional influence of the Russian Orthodox Church toward families combined to create a negative attitude toward contraception among those in political power. As a result, contraceptive options in the Soviet Union, especially prior to the 1970s and 1980s, were severely limited. Absent any other reliable options, Russian and Soviet women turned to abortion as the primary means of birth control. Any attempts by the Soviet government to limit or criminalize abortion did little to decrease the actual number of procedures. Without legal options, women turned to illegal abortions, which often resulted in health complications or death. In the end, the Soviet Union came to accept abortion as the accepted means of birth control while attempting to limit access to all other options. The long-term results of this decision were detailed in the previous chapter.[231]

Soviet pronatalist policies ultimately failed in their goal. National birthrates did increase temporarily between 1935 and 1937, but were in decline again by 1938. The policies failed for a number of reasons. The cost of providing all the promised benefits to Soviet mothers for any period of time was prohibitive. The bulk of Soviet financial and capital resources went directly into the industrialization effort, not into social programs. Also, the very process of industrialization and urbanization suppressed the birthrate. Women, with the opportunity (or obligation) to work and receive an education, had less incentive to focus their efforts on the traditional role of motherhood. The demands of a modern society did not allow enough time or energy needed to devote to raising a large family. Improved healthcare increased life expectancy and lowered the infant mortality rate, which had been reasons for having more children. Russia, and the Soviet Union,

[230] C.J. Chivers, "Russians, Busy Making Shrouds, Are Asked to Make Babies," *The World* (14 May 2006).

[231] DaVanzo and Grammich, *Dire Demographics: Population Trends in the Russian Federation,* 28-30; and Hoffman, "Mothers in the Motherland: Stalinist Pronatalism in its Pan-European Context," 45-47.

underwent the same basic demographic transition which occurred in other developed nations. Birthrates decreased and life expectancy increased.[232]

Early Soviet policies regarding contraception had a lasting impact on the Russian society. Changes, however, have occurred. Since the 1990s, abortion rates have fallen as other forms of contraception have become available. Couples are no longer forced to choose between ineffective, disagreeable contraceptive products made according to old Soviet standards.[233] Since 1988, contraceptive use has doubled among Russian women, leading to a reduced reliance on abortion. While increased reliance on contraceptives has not appreciably added to the birth rate, it has helped reduce the likelihood of sterility and death by decreasing the number of abortions and slowing the spread of STIs. The positive health benefits of improved contraceptives, however, are effective only for those Russians able to afford them and willing to use them.

For four years during the 1990s, the Russian government "funded family planning clinics that distributed free contraceptives and provided medical care."[234] The clinics also provided the public information on a number of reproductive issues, such as safe sex, abortion, and general contraceptive alternatives.[235] The Russian Duma, with a significant number of Communist ministers and under pressure from the Russian Orthodox Church, cut off federal funding for the program in 1997. Concern over the falling birth rate cast official support of birth control in contradictory terms.[236] In 2003, the Health Ministry instituted new guidelines to limit a woman's access to abortion in an effort to reduce the negative health and fertility repercussions linked to the procedure. A number of medical experts suggest that closure of the clinics combined with a restriction on abortions may only worsen the problem. Without access to contraceptives or knowledge of reproductive issues, STIs will continue to spread. Women with unwanted pregnancies may turn to the

[232] Hoffman, "Mothers in the Motherland: Stalinist Pronatalism in its Pan-European Context," 40-49.

[233] Soviet produced contraceptives were never considered very practical. Condoms were made of "thick, dark latex and diaphragms [were] manufactured in only one size." Birth control pills, when originally introduced, were distributed "in too high a dosage and scared off some women." See LaFraniere, "Russians Feel Abortion's Complications: Used as Birth Control in Soviet Times, Practice Has Led to Widespread Infertility," A16.

[234] Ibid., A16.

[235] Editorial, "Birth Control in Russia," *The New York Times* (2 September 2003): A22.

[236] LaFraniere, "Russians Feel Abortion's Complications: Used as Birth Control in Soviet Times, Practice Has Led to Widespread Infertility," A16.

even more dangerous option of illegal abortions.[237] The new restrictions have not prevented the vast majority of abortions performed in Russia, but between 1992 and 2001 the rate of legal abortions did fall by around 45 percent.[238]

Today, President Putin is once again pushing pronatalist policies, despite a history of failure in Russia's past. In his annual address in 2006, he stated:

> I propose a programme to encourage childbirth. In particular, I propose measures to support young families and support women who decide to give birth and raise children. Our aim should be at the least to encourage families to have a second child…The programme to encourage childbirth should include a whole series of administrative, financial and social support measures for young families.[239]

Current proposals call for a payment of 250,000 rubles, or almost $9,500 to women who have a second child.[240] This is a significant amount considering that the GDP per capita in Russia is approximately $9,200.[241] It is important to note, however, that each of the conditions which prevented Soviet pronatalist policies from succeeding essentially remains. It remains to be seen whether or not the Russian government will be willing to fully fund the benefits necessary to have a meaningful affect on the birthrate. Further, no developed country has reversed the demographic transition completely. It is doubtful that the Russian government will be able to convince Russian women to dedicate themselves to motherhood. Today, most men and women in Russia, and, for that matter, around the world, see smaller families as more beneficial. From an economic standpoint, life in Russia is better than it was eight to nine years ago, but the future remains uncertain. Putin's attempts to increase the birthrate most likely will not meet with any lasting success. It is interesting to compare the differences between the situation faced by both

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237 "Birth Control in Russia," A22.

238 LaFraniere, "Russians Feel Abortion's Complications: Used as Birth Control in Soviet Times, Practice Has Led to Widespread Infertility," A16.

239 President Vladimir Putin, *Annual Address to the Federal Assembly* (10 May 2006), at http://www.kremlin.ru/eng/text/speeches/, accessed on 17 February 2007.

240 Prime-Tass, "Minister Says Russia's Demographics Best in 7 Years," *Johnson's Russia List*, 287-12 (2006). See also, Desai, A.13.

241 UNDP, *Human Development Report: Country Sheet, Russia*, at http://hdr.undp.org/statistics/data/, accessed on 19 May 2006.

Stalin and Putin. Stalin rewarded and recognized mothers with more than six children. Putin is willing to disperse almost $10,000 to Russian women just to have a second child.

2. Mortality Rate: Alcohol

Alcohol consumption is a major contributor to Russia's skyrocketing death rate, particularly among working age males. State policy, particularly during the Soviet era, has done little to limit the impact of alcohol consumption on the health of the population. Disagreements over government policy toward alcohol arose early in Soviet history. Many members of the Communist Party considered alcohol consumption and its side effects as anti-Socialist. There was even a prohibition of alcohol sales in the Soviet Union until 1919. By the mid-1920s, however, it was clear that prohibition did not significantly reduce alcohol consumption. The population would simply distill their own homebrews, which were often deadly.[242]

Short on revenue and unable to control the population's desire for alcohol, the Party reverted to the tsarist practice of state alcohol sales. In terms of revenue, it proved to be a windfall for the state. According to Daniel Tarschys:

> By 1965 turnover taxes on alcohol constituted about 11.5% of all government revenues, and after a slight decline in the 1970s it was again estimated to reach 12-13% in 1982…In 1979 23 billion rubles were paid in income tax and some 65 billion rubles in turnover taxes on consumer goods. Of the latter, alcoholic beverages accounted for 25.4 billion rubles. Indirect taxes on alcohol thus yielded more than all income.[243]

The Soviet government became dependent on alcohol sales to fund the government. In 1988 Gorbachev suggested that without oil and alcohol sales the Soviet economy would have been in recession for over 20 years.[244]

Despite the state dependence on alcohol revenues, there was recognition of the high social and economic costs incurred from prolific alcohol consumption. Economic data from the 1970s suggests that social cost of alcohol consumption was between seven and nine percent of the GDP. One estimate suggested that the total cost of alcohol abuse

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[242] Daniel Tarschys, "The Success of a Failure: Gorbachev's Alcohol Policy, 1985-88," *Europe-Asia Studies*, Vol. 45, No. 1 (1993): 9-10. See also Vladimir G. Treml, "Alcohol in the USSR: A Fiscal Dilemma," *Soviet Studies*, Vol. 27, No. 2 (April 1975): 161-163.

[243] Ibid., 9-10.

[244] Ibid., 10.

"might [have been] four times as high as the government revenue from alcohol."[245] In a fruitless effort to reduce public alcohol consumption, the Soviet government would often raise prices of alcohol. The consistent result was an increase in the production and consumption of the Russian version of moonshine, *samogon*, which only caused more health and social problems. The government would subsequently lower prices.[246] The Soviet government, conflicted by its need for revenues and the increasing cost of alcohol consumption, failed to make any effective policy decisions. Alcohol consumption and deaths caused by alcohol consumption rose steadily from the 1950s through the 1970s.[247]

Real change came in the 1985 with the radical anti-alcohol campaign of Mikhail Gorbachev. The ultimate goal of the campaign was "total sobriety."[248] Alcohol sales were limited by law and the minimum age for purchasing alcohol was raised to 21 years. In terms of immediate quantifiable measurements, i.e. alcohol sales and consumption, the results of the policy were mixed. Official alcohol sales dropped a precipitous 63 percent. Alcohol consumption, however, only fell by 26 percent. The production and consumption of illegal moonshine, or *samogon*, doubled in the same period.[249] One side effect of the anti-alcohol campaign was a widespread shortage of sugar, a primary ingredient of moonshine, throughout 1988.[250] Within three years, however, the policy was repealed. The change proved to be too much for a society who spent on average 10 to 15 percent of their income on alcoholic beverages. In the end, the alcohol lobby succeeded in ending Gorbachev's restrictive policies.[251]

Despite its ultimate failure, Gorbachev's radical anti-alcohol policy did appear to have a perceptible impact on health capital. Male life expectancy, at only 62.3 years in

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[245] Tarschys, "The Success of a Failure: Gorbachev's Alcohol Policy, 1985-88," 15. See also Vladimir G. Treml, "Alcohol Abuse and the Quality of Life in the Soviet Union," *Qaulity of Life in the Soviet Union*, edited by Horst Herlemann (Boulder, CO: Westview Press, 1987): 159-162.

[246] Tarschys, "The Success of a Failure: Gorbachev's Alcohol Policy, 1985-88," 18. Michael Rywkin, *Soviet Society Today* (Armonk, NY: M.E. Sharpe, Inc., 1989): 169-171.

[247] Tarschys, "The Success of a Failure: Gorbachev's Alcohol Policy, 1985-88," 16.

[248] Ibid., 18.

[249] The World Bank, *Dying Too Young*, 35-36.

[250] Tarschys, , "The Success of a Failure: Gorbachev's Alcohol Policy, 1985-88," 22-23.

[251] Ibid., 12. Tarschys also details the major institutions comprising the Soviet alcohol lobby, namely, the Ministries of Finance and Trade, the Central State Planning Commission, and the majority of the male population. See Ibid., 9-12.

1981, rose to 65.1 years in 1987. Also, the newly diagnosed cases of alcoholism and related illnesses dropped over the same period from 206 to 154 per 100,000 of the population.[252] No other potential explanations or changes in Russian society present themselves as an answer to such a rapid improvement in health. The improvements, however, were short lived. Once the legislation was repealed, alcohol consumption increased and life expectancies began to drop.

The collapse of the Soviet Union resulted in the privatization of the Russia's alcohol industry. The state effectively relinquished control of alcohol sales. While vodka sales had accounted approximately 30 percent of government revenues during the Soviet Union, by 1998 it only provided 5 percent. While alcohol sales account for a much smaller percentage of government revenue, they are actually taxed quite high. As a result, the production of illegal alcohol remains prevalent.[253] Today the Russian government seems uninterested in alcohol policy in general. Outside of tax collection, the administrations of both Yeltsin and Putin have taken hands off approach, allowing market forces, as they exist in Russia, to control the alcohol industry. As previously indicated alcohol consumption remains a major cause of declining health capital.

3. HIV/AIDS Policy: A Special Case

In the three decades since its initial appearance, the human immunodeficiency virus has infected more than 40 million people. Today, it is the fourth leading cause of death worldwide. More than three million people died as a result of HIV infection in 2004. Due to the policy decisions and attitudes of both the Soviet and Russian governments, the Russian population is at risk of facing a full-blown HIV/AIDS epidemic. The first diagnosis of HIV infection in Russia occurred in 1987. Throughout the 1990s the disease spread primarily among high risk groups, i.e. drug users, prisoners, homosexuals, and sex workers. [254] As a result, the Soviet and Russian governments have tended to view the disease as a behavioral problem confined to a small section of the

[252] Tarschys, , "The Success of a Failure: Gorbachev's Alcohol Policy, 1985-88," 22-23. See also Rywkin, *Soviet Society Today*, 171.

[253] Michael A. Hiltzik, "Russia Thirsts for Vodka Plants' Profits," *Los Angeles Times* (30 November 1998): 1.

[254] Joana Godinho, Adrian Renton, Viatcheslav Vinogradov, Thomas Novotny, George Gotsadze, Mary-Jane Rivers, and Mario Bravo, *Reversing the Tide: Priorities of HIV/AIDS Prevention in Central Asia* (Washington D.C.: The World Bank, March 2005): 1 and 19-20, at http://web.worldbank.org/, accessed on 4 December 2006.

population. Help for combating the disease, therefore, has been slow and inadequate. Also, due to the social stigmas generally associated with the spread of the virus, screening for the disease has proven ineffective.

Russian policy, in a number of specific ways, has fallen short in its attempt to slow the spread of the HIV/AIDS virus and to treat those afflicted. First, the decentralization of Russian healthcare has resulted in a fragmented approach to combating the disease. At the federal level alone, at least four different organizations are responsible for dealing with HIV/AIDS. The lack of coordination between these organizations and regional institutions has confused efforts and made it difficult to determine who is responsible for implementing policies, laws and programs. Regions have been free to develop and fund independent methods of dealing with the epidemic. As a result, some regions have implemented more effective policies and experienced positive policy results; most have not.[255]

Second, the level of government funding "is completely inadequate given the scale of the Russian epidemic."[256] Insufficient government funding has severely limited the availability of treatment to those afflicted. The standard treatment for HIV infection, anti-retroviral (ARV) medicine, is very expensive. In the United States, the average cost for treatment for one person for an entire year was $10,000 in 2004. Special programs and international agreements exist to lower the cost to less than $1,000 under certain circumstances. The value of ARV to those infected can be huge. With treatment an infected individual can expect to live for a number of years in relatively good health. Without the treatment, an HIV-positive individual usually only has five years to live. While the Russian government has increased funding significantly over the past decade, it remains insufficient event to treat those already affected, much less to fund programs aimed at preventing the spread of the disease.[257]

In 2003 and 2004, federal funding for combating HIV/AIDS was about $12 million per year with the regional and local governments contributing another $10 to $15

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[255] UNDP, *Human Development Report 2005 Russian Federation,* 95-100

[256] Ibid., 98-99.

[257] Celeste Wallander, "Helping Russia Cope with AIDS," *PONARS Policy Memo 352* (November 2004).

million. Of the 300,000 people officially registered as HIV-positive approximately 2,000 of them received ARV treatment. To treat every infected individual at the cost of just $1,000 per person would require at least $300 million. Just to treat even 60,000 infected individuals, a number included in a recent funding proposal by the Russian government, would cost $60 million, or twice what the Russian government, national and regional budgets combined, is spending now. Currently, the Moscow AIDS Center, pays the standard $10,000 fee for each round of ARV treatment. It is very unlikely that the Russian government will commit the additional funding required to treat a significantly greater number of individuals. This does not imply, however, that the Russian government does not have the money. As Celeste Wallander points out, in 2004 the Russian government paid off over $2 billion "in old debts to the world's wealthiest countries, principally Germany, Italy, and the United States."[258]

Third, it has been difficult for the Russian government to collect accurate data on the scope of the epidemic. Many of Russia's laws regarding HIV/AIDS and the behaviors which contribute to its spread are punitive in nature, dissuading those who may be infected from voluntarily submitting to screening and reporting procedures. By law, homosexuals are required to submit to HIV testing. Those who do not comply are often imprisoned. Drug users, for legal reasons, are also reluctant to submit to testing. The law does not require that positive test results remain confidential. Further, individuals who test positive are often subjected to mandatory treatment.[259] As a consequence, the official number of registered cases of HIV/AIDS is considerably less than the actual amount. Official figures put the number of HIV-positive individuals at just over 300,000. Estimates put the actual number between 1,000,000 and 1,500,000.[260] The lower official numbers allow the government to downplay the severity of the problem and justify the government's limited response as being adequate.

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[258] Wallander, "Helping Russia Cope with AIDS." See also UNDP, *Human Development Report 2005 Russian Federation*, 99. The Russian government supports a Federal AIDS Center, 7 okrug centers, 89 regional centers and 20 municipal centers. Each center is organized to provide the population with testing, counseling, treatment and prevention services. See World Health Organization, *Russian Federation: Summary Country Profile for HIV/AIDS Treatment* (2005), at http://www.who.int/hiv/HIVCP_RUS.pdf, accessed on 22 March 2007.

[259] Kramer, *Drug Abuse and HIV/AIDS in Russia*, 3-4. See also Gomez, The Politics of Government Response to HIV/AIDS in Russia and Brazil," 9-12.

[260] Ibid., 8-11.

Russia's inability to confront the looming HIV/AIDS crisis in an organized and efficient manner likely will have devastating consequences. As HIV/AIDS makes the transition from the high-risk population into the general society, Russia's besieged healthcare system will be overwhelmed. Past and current policies have failed to slow the spread of the disease. Between 2000 and 2004 the rate of heterosexual transmission rose from 3 percent of newly registered cases to 25 percent. The rate of heterosexual transmission and the prevalence among women is likely to increase for the foreseeable future. A widespread HIV/AIDS epidemic among Russia's population would further decimate a society already beset by falling standards of living. The impact on the country's health capital, and the social cost of dealing with the disease, would wreak havoc on the economy. The strong economic performance since 2000 likely would be reversed, throwing the country back into recession and instability.[261] Sarah Grisin and Celeste Wallander summarized the threat of continued Russian ineptness regarding HIV/AIDS as follows:

> The Russian government does not like to be warned of the fact that it is following the path of Africa's AIDS crisis, but the trend is indisputable and proven by rising numbers of infected, especially those outside the now recognized at-risk groups…Russia is vulnerable to an exploding AIDS crisis not merely because of the biology of the disease, but because of the weakness of its state and social infrastructure…HIV/AIDS is less forgiving than war or depression, which devastate a society for only years. If Russia does not confront the HIV/AIDS crisis, it will face a future against a threat that kills on a generational scale.[262]

C. CONCLUSION

Healthcare in the Russian Federation remains in serious trouble. Despite efforts to fix the system bequeathed to it, the current healthcare system "is strikingly reminiscent of the Soviet model."[263] Attempts to better fund the healthcare system through insurance legislation has met with resistance from the national bureaucracy and the refusal of local governments to adequately fund their portion of the program. At the same time, decentralization of healthcare administration has created a confusing amalgam of

[261] UNDP, *Human Development Report 2005 Russian Federation*, 95; and Grisin and Wallander, *Russia's HIV/AIDS Crisis: Confronting the Present and Facing the Future* 12.

[262] Grisin and Wallander, *Russia's HIV/AIDS Crisis: Confronting the Present and Facing the Future,* 11-12.

[263] Tragakes and Lessof, *Health Care Systems in Transition: Russian Federation, 2003,* 124.

institutions. The national government is unwilling or unable to ensure adequate standards of healthcare. Resources are wasted as regional and local officials attempt to develop their own, independent healthcare systems with inadequate resources. In the resulting chaos, the welfare of the population seems secondary to internal political struggles and attempts to avoid responsibility. Without reliable and available healthcare, Russia's level of health capital will continue to decline. People in need of help often will receive substandard care or no care at all. Health problems will continue to be ignored by those afflicted, creating greater problems for the future.

Past policies intended to encourage population growth have failed even to slow long-term decline. Current efforts at pronatalist policies will likely yield minimal results. Increased economic and political stability may produce a slight increase in Russia's lackluster fertility rate. It is unlikely in the foreseeable future that the fertility will increase sufficiently to reverse the current trend of population decline. Efforts to encourage birth through limitation of contraceptives have failed. At the same time, government attempts to lower Russia's soaring mortality rate continue to be ineffective. Russia faces two key health epidemics: increasing rates of non-communicable diseases, (primarily in the form of cardiovascular disease), and a number of infectious diseases, (such as HIV/AIDS, tuberculosis, hepatitis, syphilis, and other sexually transmitted infections). Unwillingness on the part of the government to address the root behavioral causes of these epidemics, particularly in a humane way, likely will only further contribute to the crisis. Alcohol consumption and the spread of HIV/AIDS will retain central roles in the determination of Russia's health capital for years to come.

Despite attempts at reform, government policies aimed at affecting health in Russia have remained consistent since the Soviet period. In large measure, they have consistently failed to provide a safety net for the population. Health capital has declined in Russia over the past three or four decades. Current demographic trends are proving tremendously difficult to reverse or even to slow down. This chapter is not a comprehensive review of all government policies aimed at improving health capital in Russia. It is, however, essentially representative of what the Russian government has attempted and achieved. Now, it is necessary to determine what best explains this continuity of policy malfunction in Russia. Why has government policy consistently

failed to provide the population with reliable and available healthcare? Why has the government consistently exhibited an unwillingness or inability to protect the nation's health capital? If there are answers to these questions, then it is also worthwhile to ask whether or not there are worthwhile options for the government to pursue.

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V. ANALYSIS AND RECOMMENDATIONS

Russia's health capital has declined steadily since the 1960s. This thesis has sought to understand the scope of Russia's health capital crisis and the forces that have produced it. Economic and political chaos, have certainly contributed to the general demise in health and standard of living. Government policy, however, has played a significant role in the structure of Russia's healthcare and bureaucratic institutions. Additionally, where the Russian population relies on the state for social welfare, government ineptitude has been especially devastating.

The consistent failure of the government to develop and implement policies capable of reversing the nation's negative health trends is troubling. What explains this consistency? Why have issues of health and social welfare, factors which affect the quality and level of health capital, been allowed to deteriorate to the point that solutions seem out of reach? Furthermore, what can be done to overcome persistent government failure and ensure the creation and execution of policies capable of rectifying the current health capital crisis?

This chapter will attempt to answer these questions. It will summarize what appear to be the primary factors contributing to the stasis observed in government health policy and society's unwillingness to demand effective change from the state. Additionally, it will offer a few limited policy recommendations for improving Russia's health capital.

A. ANALYSIS OF GOVERNMENT POLICY

1. Political Culture and Health Capital

State-society relations in Russia persistently have hindered government health policy. Russia's dominant paternalistic political culture seems to account for most of the stasis in government health policy. While Russia's political history does suggest the existence of a democratic-based political sub-culture, thus far, it has failed to transform state-society relations significantly. As indicated in Chapters Two and Four, the Soviet and Russian governments have had a relatively free hand in devising and executing government policy without accountability to the population. In turn, the cry for greater

political participation from the population at large has been muted throughout the decades. Recent decisions by the Putin administration indicate a strengthening of this paternalistic state-society relationship.[264]

The negative impact of Russia's dominant political culture on health capital has been intensified by the powerful and persistent influence of bureaucratic authoritarianism. Throughout history the Russian and Soviet bureaucracies have proven proficient at manipulating government policy and foiling needed attempts at reform. In his attempt to restore political and economic order in Russia, President Putin has succeeded in unleashing the power and sway of bureaucratic authoritarianism once again. As Lilia Shevstova wrote:

> Putin's Russia followed the path toward bureaucratic order—through reliance on the apparat, administrative methods, subordination, loyalty, and instructions from above. This order could be yet another illusion: Everything seems to work, commands are given, and subordinates report. But the problems are merely pushed more deeply away and with time become explosive.[265]

Within the statist type of political system taking shape in Russia today, the president may be free to decide what should happen; increasingly it is the bureaucracy which decides what does happen. Government health policy and needed reforms are subject to the whims and desires of powerful national and regional bureaucracies. As long as Russia's bureaucratic institutions remain relatively free from accountability to the people, it will retain its ability to serve itself rather than the public.[266]

The institutional and ideological factors outlined in Chapter Two appear to be manifestations of Russia's paternalistic political culture rather than primary contributors to the decline in health capital. Additionally, the flood of energy revenues and rising incomes in Russia have done little to improve the overall level of health capital. This appears to discount the argument that low incomes and inadequate financial resources were the primary cause of declining health capital.

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[264] See Chapter II section on state-society relations and political culture.

[265] Shevstova, *Putin's Russia*, 258.

[266] See Chapter II section on bureaucratic authoritarianism. See also Shevstova, *Putin's Russia*, 327 and 333 for a discussion of bureaucratic authoritarianism in Russia today.

B. POLICY RECOMMENDATIONS

Slowing the decline of Russia's health capital will be difficult over the short-term. To begin with, demographic trends do not change quickly. The epidemiological and social factors pushing Russia's health capital lower will require a multitude of adjustments throughout the political system and society. In terms of government policy, changes must be made at two levels. First, at the macro-level, the political culture of Russia must undergo a fundamental shift. Second, at the micro-level, existing policies and programs must be adjusted to deal more effectively with current crises before they worsen.

1. Macro-level Adjustments: Cultural Revolution

The future of Russia's health capital, in large part, is dependent on a shift from a political culture mired in a paternalistic past to one built on democratic principles and institutions. A more democratically based political culture would provide both the state and the population with a greater incentive to solve the problems erasing the nation's health capital. Democracy would enhance the chances of improving Russia's health capital by changing the relationship between the state and population. The state would be accountable to the people and forced to address their concerns; the people would have a realistic chance of influencing government activity through their vote and other civic organizations. Such a relationship would require the strengthening of democratic institutions. The state must be subject to the rule of law. Media must be free to guarantee that the actions of the government are transparent. Society must be provided the economic means, i.e. private property and higher incomes, to leverage the state in their interest.[267]

In order to transition Russia's political culture away from its paternalistic roots and toward an acceptance of a democratic system, the "pervasive" and "universal cynicism" generated by state-society relations must be overcome.[268] The Russian population must force the state to be accountable for its actions to a significant degree.

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[267] Michael McFaul, Nikolai Petrov, and Andrei Ryabov, *Between Dictatorship and Democracy: Russian Post-Communist Political Reform* (Washington D.C: Carnegie Endowment for International Peace, 2004): 2-7. In the introduction to their book the authors define democracy and list a number of essential elements which should be included in a democratic state.

[268] Keenan, "Muscovite Political Folkways," 173.

Previous and current attempts by the population to hold the state accountable have been ineffective and very limited in scope. As Michael McFaul and Elina Treyger point out:

> Russian civil society is weak, atomized, apolitical, and heavily dependent on Western assistance for support. It exerts little influence over state actions and policies and lacks the capacity to play a meaningful role in mediating state and individual interests, let alone resisting state encroachment on societal freedoms.[269]

The question, therefore, is how the dominant political culture paternalism can be supplanted by the democratic political sub-culture.[270]

Unfortunately, there is no easily identifiable answer outside of a considerable and concerted effort on the part of the Russian population to organize and act in their own interest. They must come to realize the mounting costs of their collective political inactivity. It is unlikely that Putin or his successor will willingly cede a significant degree of political control to the population without a struggle. The time for the population to act, however, is now, with the world watching. Change will become more difficult as the state continues to consolidate its power.

Perhaps the best scenario would be for the population to unite behind one or two important issues and demand change and accountability from the government. Success could create a powerful precedent and transform the future expectations of both the state and the population in regards to their relationship. The crisis in public health and social welfare is a readily identifiable issue affecting the majority of the population, and which could be used as a platform to demand change and accountability from the state. It is also an issue which the ruling elite may see as important to the economic viability of the country, thus increasing the likelihood that the state would acquiesce to the demands of the population. Russia's health capital stands to benefit from a shift toward the democratic political sub-culture. Once a larger portion of the Russian people realizes they can force the government to listen to them they will demand that their health issues be

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269 Michael McFaul and Elina Treyger, "Civil Society," *Between Dictatorship and Democracy: Russian Post-Communist Political Reform*, editors Michael McFaul, Nikolai Petrov, and Andrei Ryabov (Washington D.C.: Carnegie Endowment for International Peace, 2004): 135-136.

270 In his report for Freedom House in 2005, Michael McFaul listed a number of recommendations for increasing democratic freedoms in the Russian Federation. See Michael McFaul, "Country Report—Russia," *Countries at the Crossroads 2005* (Freedom House, 2005), at http://www.freedomhouse.org, accessed on 6 March 2007.

addressed. At the same time, once Russian state officials, both those elected and in the bureaucracy, realize that their political positions and authority are subject to the approval of the population, they will be compelled to find effective answers to the problems afflicting the country's health capital.

2. Micro-level Adjustments: Tweaking the Policy

At the micro-level, a number of policy adjustments and changes could have immediate effects on Russia's health capital. First, existing programs which provide for and promote health must receive increased funding. If the state is going to continue to assume direct responsibility for the provision of healthcare to the entire population, then it will need to supply the system with sufficient resources. Currently, the Russian government is receiving significant revenues from the energy sector. Budget surpluses are being deposited into a national stabilization fund, intended to moderate the economic effects of fluctuations in world energy prices. (As of January 2007, the stabilization fund held over 2.3 trillion rubles or almost $99 billion.)[271] A portion of these funds, however, could have long-term benefits for the Russian economy if used to fix the healthcare system and provide other important social benefits to the population.

Greater coordination of healthcare policy and services at the national level also could improve the effectiveness of the system. National planning would save resources by preventing the wasteful duplication of medical services. Increased and consistent enforcement of national healthcare standards, even to a limited degree, could translate into better care for the patients. Also, the state needs to continue to work closely with non-governmental and international health organizations on confronting the nation's health problems. Organizations, such as the World Health Organization, UNAIDS and the UN Development Program, offer Russia an increased degree of expertise and a good source for information and research outside the purview of the government. Many of these organizations have experience and expertise in combating the health issues facing Russia today. The majority of policy recommendations offered by these groups, if properly implemented, would have numerous positive consequences for Russia. For the

[271] Kommersant, "Stabilization Fund Added Trillion Rubles Past Year" (11 January 2007), at http://www.kommersant.com, accessed on 6 March 2007.

population, suffering would be reduced and a healthier future would be more likely. The resulting increase in health capital could result in economic benefits for the entire country.[272]

Finally, health and social education must be made available to the population. Aggressive efforts aimed at educating the public on the consequences of high-risk behaviors could reduce mortality and morbidity caused by alcohol consumption, tobacco use, drug use, unsafe sex, traffic accidents and diet. Further, educational programs could teach the population positive and preventive health measures which would improve the quality of life and reduce the stress on the healthcare system. There are several models of health education used throughout the developed world which could be adapted for use in Russian society.[273]

C. CONCLUSION

Changing the political culture in Russia likely will prove difficult. Attempts at creating an active civil society, thus far, have met with limited success. The Putin administration seems determined, at the present time, to avoid ceding any influence to such groups. Circumstances today, however, are conducive to the eventual rise of Russia's democratic political sub-culture. The Russian population is no longer cut off from information about the rest of the world. They understand how people elsewhere live and how different political systems operate. While Russia's attempt at democracy in the 1990s was scarred with gross inefficiencies and failures, it did expose the population to a free press and contested elections. Hopefully, recent moves away from democratization will prove temporary.

Change, however, must come soon. The cost of fixing Russia's health capital rises each day. Russia's future economic growth, ultimately, is as dependent on an adequate stock of health and human capital as it is on financial and physical capital.

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[272] A number of non-governmental organizations have issued reports with specific policy suggestions aimed at improving health in the Russian Federation. See reports by The World Health Organization, The World Bank, and UNDP cited in this research.

[273] See The World Bank, *Dying Too Young*, 65-93 for a number of suggestions on how to reduce the prevalence of non-communicable diseases in Russian society. The report strongly suggests the use of educational programs to combat the problem. See also UNDP, *Human Development Report 2005 Russian Federation*, 94-107 for suggestions on combating HIV/AIDS and other infectious diseases. This report also encourages the use of education in reducing the spread of infectious diseases.

Without enough health capital, it is likely the Russian economy eventually will suffer a devastating collapse. Energy markets will not be able to sustain the Russian economy indefinitely. The political, economic, and social instability resulting from a collapsed economy will have serious consequences not only for the Russian population but also for surrounding countries and the world at large.

President Putin and his administration must realize that their aspiration for long-term economic development will be impossible if the current crisis is not addressed properly and decisively. Continued hedging by the government, in hopes that the problems simply will go away, only will cost the country more in the long run. While the state may not be interested in the welfare of the population for humanitarian purposes, it should at least understand the economic importance of their well-being and act accordingly. At the same time, the Russian population has been content to watch their health capital ebb away. It is their living standard and life expectancy that are in decline. If they are not interested in protecting themselves, it is difficult to expect the government to do so. While both the state and the population have a vested interest in the nation's health capital, it remains to be seen if either will assume responsibility for it.

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